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ASIA CEMENT CORPORATION

2018 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. Review of the Year 2018

Review of the international economic situation in 2018

Looking back at the international changes in 2018, a series of events had happened from the beginning of the year in 2018. Trump met Kim Jong-un. The Federal Reserve raised interest rates which triggered international hot money returning to US dollar assets, and emerging markets faced pressure of capital withdrawal. The OPEC reached a deal to reduce oil production which pushed up oil prices to a nearly four-year high. Four major stock indexes of the US stocks pulled back steeply for corrections, etc.

The global economy had maintained its growth trend in 2017 for the first three quarters. The main growth momentum came from the rapid economic growth performance of the United States and the performance of developing countries and emerging markets that gained more income from raw material exports as raw material prices rose. However, the growth in the fourth quarter began to slow down significantly, mainly due to the gradual escalation of the US-China trade dispute.

Observing differences in performances among major economies, the United States has continued to expand its economic growth due to tax cuts and increased spending to stimulate demand, and the overall recovery in Europe has slowed down. Subject to the economic transformation policies, China's performance has declined quarter by quarter, while Japan has shown a flat performance owing to natural disasters and weak consumer and corporate spending. According to estimates by the International Monetary Fund (IMF), the global economic growth rate in 2018 was 3.7%, which was relatively flat compared to that in 2017.

Review of the Domestic Economic Situation in 2018

In 2018, Taiwan has maintained a certain recovery momentum thanks to the global economic growth trend. In the first half of the year, Taiwan maintained economic growth at a rate more than 3%. However, since the third quarter, Taiwan's export orders have continued to show negative growth due to the global economic downturn caused by the escalation of US-China trade disputes and the economic slowdown of China as its largest export trading partner.

In terms of exports, on the one hand, the demand for international branded smart phones is not as good as expected, resulting in a year-on-year decline in the annual growth rate of export orders for information and communication products. On the other hand, as the United States wages the trade war around the globe, the export orders of domestic traditional products have declined. In particular, orders for related traditional products from mainland China have been significantly reduced, resulting in a significant decline in Taiwan's exports.

Domestic demand mainly relies on equipment investment, expansion and construction, green energy investment and public works construction in the domestic semiconductor industry and electronics industry to maintain a certain level of investment demand momentum.

According to the statistics of the Directorate-General of Budget, Accounting and Statistics of Executive Yuan, the overall economic growth rate in 2018 reached the target of 2 or above at 2.63%. At the same time, according to the latest "2019 IMD World Competitiveness" published by the Lausanne School of Management (IMD) in Switzerland, among the 63 countries in the world, Taiwan ranks 16th, compared to 17th ranking in last year. For Asia Pacific region, Taiwan ranks 4th, ahead of Australia, New Zealand, Malaysia, Thailand, South Korea and Japan. Among

them, "enterprise efficiency" has the largest improvement, from 20 to 14, and it is obvious that domestic enterprises have the strength to compete with the external adverse environment.

The Company's business performance in 2018

A. In 2018, the overall cement consumption in China amounted to about 2.21 billion MT, decreasing 5.3% compared with 2017. In the same period, the clinker production volume of the Company in China is 24.80 million MT, increasing 2.63% compared with 2017. The total sales of cement, clinker and slag powder are 30.95 million MT, increasing 2.48% compared with 2017.

   In 2018, the net income of Asia Cement (China) Holdings Corp. is NT$ 11,000,630 thousand. The Company and its subsidiaries recognized a total investment profit of NT $7,920,454 thousand.

B. For domestic cement industry, according to a statistics conducted by the Taiwan Cement Manufacturers' Association, the 2018 total cement production volume in Taiwan was 10,938,847 MT, increasing 0.57% compared with 2017. Among them, the domestic cement sales was 8,574,458 MT, and exported cement was 2,378,790 MT. Compared with those in 2017, domestic sales increased by 3.3%, exports decreased by 6.85%.

   The total sales of cement in Taiwan of the Company was 2,546,181 MT which is equivalent to 29.69% of the total production volume in Taiwan, or 23.90% of the overall cement consumption in Taiwan. In 2018, the domestic real estate economy was stable, showing a slight increase in volume and decrease in price compared with 2017. The cement consumption increased to 10,653,984 MT, by 4.72%. The 2018 per capita average cement consumption is about 435 kg, increased 0.69% from 432kg in 2017. As a result, the cement market in Taiwan is still showing oversupply.

C. The 2018 consolidated operating revenue of the Company is NT $82,741,004 thousand, increased 27.49% from 2017. The consolidated profit from operations was NT $18,153,110 thousand, increased 144.10% from 2017. From the Company's affiliates, Far Eastern New Century Corp., and U-Ming Marine Transport Corp., the Company recognized NT $4,144,156 thousand investment income from equity method. The consolidated net profit after tax reached NT $14,889,197 thousand. The net profit rate after tax was 17.99%. Consolidated net profit attributable to the Company is $11,117,094 thousand. The 8th meeting of the 26th Board of Directors proposed to distribute cash dividend NT $2.8 per share.

2. Operating Performance of 2018

A. Production:

Unit: 1000 MT

Item / Region	Cement	Difference Compared to 2017	%	Clinker	Difference Compared to 2017	%
ACC (Taiwan)	3,460	(100)	(2.81)	3,317	(18)	(0.54)

＊key performance indicator:

Actual aggregate cement output amounted to 3,460 thousand MT. Compared to estimated output 3,640 thousand MT, the achievement rate is 95.05%.

Actual aggregate clinker output amounted to 3,317 thousand MT. Compared to estimated output 3,455 thousand MT, the achievement rate is 96.01%.

Unit: 1000 MT

Item / Region	Cement	Difference Compared to 2017	%	Clinker	Difference Compared to 2017	%
ACC (China)	29,043	622	2.19	24,801	635	2.63

＊key performance indicator:

Actual aggregate cement output amounted to 29,043 thousand MT. Compared to estimated output 28,611 thousand MT, the achievement rate is 101.51%.

Actual aggregate clinker output amounted to 24,801 thousand MT. Compared to estimated output 22,945 thousand MT, the achievement rate is 108.09%.

B. Sales

i. Taiwan area:

Unit: 1000 MT; NT$1,000

Volume & Value / Product	2018				Difference Compared to 2017			
	Domestic Sales		Export Sales					
	Volume	Value	Volume	Value	Volume	%	Value	%
Cement & Clinker	2,584	5,754,142	928	1,481,856	(87)	(2.42)	(15,419)	(0.21)

＊Key Performance Indicator:

Actual aggregate sales of cement and clinker produced by ACC amounted to 3,512 thousand MT. Compared to the estimated sales 3,690 thousand MT, the achievement rate is 95.18%.

ii. China area:

Unit: 1000 MT; NT$1,000

Volume & Value / Product	2018				Difference Compared to 2017			
	Domestic Sales		Export Sales					
	Volume	Value	Volume	Value	Volume	%	Value	%
Cement & Clinker	30,676	46,803,136	219	242,168	716	2.37	13,617,653	40.74

＊Key Performance Indicator:

Actual aggregate sales of cement and clinker produced by ACC (China) amounted to 30,895 thousand MT. Compared to the estimated sales 29,478 thousand MT, the achievement rate is 104.81%.

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 alone 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, five cement products companies, three transportation companies, Wuhan Asia Shipping Co., Ltd (joint-venture), Tai Zhou Oriental Construction Co., Ltd., three terminals, and twelve 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 six kilns with annual output of clinker 11 million MT of clinker, which can produce 14 million MT cement. Jiangxi Yadong has become one of the largest cement plants in China. The waste heat recycling generators can produce 338 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 output of clinker 4.95 million MT which can produce 6 million MT cement. In addition, the waste heat recycling generators 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 output of clinker 3.3 million MT which can produce 4 million MT cement. In addition, the waste heat recycling generators 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 Wuhan Xinlingyun Engineering Co., Ltd on July 2010. 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.

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. International and Domestic Economic Situations in 2019

A. Prospects for the international economic situation in 2019

Looking forward to 2019, the global economy in the fourth quarter of 2018 will not show a trend of concurrent recovery on an extensive scale, and the US-China trade friction will continue. The political situation in Europe will be turbulent, the Brexit will be deadlocked. China’s economy may slow down further. Meanwhile, the international oil price trend and other factors may become the major uncertain factors affecting economic growth. In order to stimulate the economy, the major economies such as the United States, will undoubtedly slow down or suspend the pace of interest rate hikes. And the Federal Reserve (Fed) will transform its monetary policy from normalization to supporting. Major central banks in various countries will also adopt quantitative easing policies, while China will introduce policies for tax reductions and strengthening the infrastructure to stabilize its economy. On the whole, due to the rising global risks, the economic growth momentum has shown a weak trend, but the degree of recession is limited. International Monetary Fund (IMF) estimate that the global economic growth rate in 2019 will be 3.3%, which is lower than that in 2018.

B. Prospects for the domestic economic situation in 2019

Looking forward to 2019, the uncertainty in global economic growth will increase, which will affect the performance of Taiwan's domestic and foreign demand. Among others, the global economic slowdown has affected the buying power and the trade protectionism has escalated, resulting in a slowdown in Taiwan's export expansion. However, domestic semiconductor manufacturers have industry-leading advantages in terms of the advanced manufacturing processes and emerging technologies such as big data, Internet of Things, AI, 5G, etc. are gradually expanding, which should help Taiwan's exports to regain momentum. Affected by the policies implemented by mainland China and the US-China trade war, many Taiwanese companies have successively returned to Taiwan to set up factories. Domestic semiconductor manufacturers have continued to invest in advanced processes. Investments in green energy such as solar energy and offshore wind power have also been pushed forward, showing that private investment momentum remains sufficient. Meanwhile, as the government-led Forward-Looking Infrastructure Development Program and new industries development program have been continuously implemented, it is foreseeable that domestic demand will become the main force for economic growth in 2019, and the economy will move forward in a slow and stable manner.

In addition, 2019 will be the hot year of the presidential election and the re-election of the Legislative Yuan. The primary election effect of the political parties and the uncertainty in future politics among the civic societies may also affect the effective operation of the economy.

The Directorate-General of Budget, Accounting and Statistics of Executive Yuan forecasts that the economic growth rate in 2019 will be 2.27%, which is lower than 2.63% in 2018.

6. Prospects for the cement industry on both sides across the Taiwan Straits

A. Cement industry in China

In 2019, the China's economy continued to develop towards high quality production. The annual economic growth rate is estimated at around 6%. Compared with 2.21 billion metric tons in 2018, cement demand is expected to fall slightly by 2%-4% and fluctuate at around 2.1 billion metric tons.

In 2019, except for the coal market, which will be reach an overall balance between supply and demand, the price fluctuation range will be narrower and the oil price will remain at higher levels. The prospects of the cement industry in mainland China are as follows:

i. Environmental protection is getting more and more serious:

With the full implementation of the Environmental Protection Tax Law, corporate environmental protection expenditures will be increased. Actively promoted "Three-Year Plan on Defending the Blue sky." 2019 is a crucial year. The environmental protection supervision continued to be implemented. The plans to protect clear water and pure land continued to deepen. The pollutant discharge permit will cover all key industries involved in pollution prevention and control, accelerate the rectification of "scattering pollution" enterprises, and promote green development in relevant industries.

ii. The cement supply end continues to tighten:

a. Strictly control new capacity and accelerate the elimination of backward production capacity: In 2019, it is planned to reduce the clinker production capacity by 116.4 million metric tons, and shut down 150 enterprises that operate cement grinding stations. The degree of de-capacity is more stringent than that in 2018.

The concentration of clinker production capacity among the top 10 large enterprises over the entire country has reached 62%, and the concentration of cement production capacity has reached 50% or more to further limit production capacity and effectively reduce supply.

On 2019/10/1, the composite silicate cement with the intensity level of PC32.5 was abolished, and the production capacity was controlled from the production source to alleviate the pressure of overcapacity.

b. Strictly control the replacement of production capacity: Seriously deal with capacity replacement and standardize the capacity replacement behavior. It is strictly forbidden to approve the cement industry in 13 provinces and cities such as Sichuan and Hubei or those provinces and cities shall step by step abolish the cement industry. In order to prevent enterprises from building new capacity via the implementation of capacity replacement, the future capacity replacement policy will be more stringent.

c. Staggering peak production: The staggering peak production continues to expand, the scope of regions and time continue to expand, and the standard for exempting staggering peak production in 2019 will be more stringent, as the implementation will be strengthened to cover even the entire nation. Enterprises that fail to meet low emission standards will either need to implement the dynamic staggering peak production policy, or face the situation where production cannot be conducted normally in the whole year. The cement inventory may continue to decline to push up the cement market price and improve the industry's profits.

iii. Infrastructure investment boosts cement demand:

a. Capital investment is still an important support for cement demand. In 2019, the investment in railway, highway and water transport projects will reach 2.6 trillion RMBs, and the investment growth rate will gradually stabilize and rise. It is expected that the growth rate of infrastructure investment will rebound to more than 10% in 2019, thus stimulating cement demand. The renovation of shanty towns will continue to advance From 2018 to 2020, China will renovate 15 million sets of shanty towns. It is expected that real estate investment will remain a stable cement demand pull.

b. Deepen the promotion of new-style urbanization, actively promote the regional integration in the Yangtze River Delta, coordinate the development of Beijing-Tianjin-Hebei, the development of the Yangtze River Economic Belt, and the construction of the Greater Bay Area of Guangdong, Hong Kong and Macao, and insist on the construction of the "One Belt, One Road" to open a new round of opening up and pull the demand for cement and other building materials.

iv. Mergers and acquisitions are strengthened, and overseas layout is accelerated:

Large enterprises have accelerated the pace of mergers and acquisitions and continuously increased industry concentration. Due to the overcapacity of the overall cement industry, the government in mainland China has shifted its overcapacity to overseas by means of policy support. The major cement groups have taken advantage of the overseas layout of "One Belt, One Road" and actively participated in the construction of large-scale projects and infrastructure in the countries along the route (Silk Road) to accelerate realize the internalization of cement companies.

v. E-commerce is widespread, and regional platform is upgraded:

Although the cement industry is a traditional industry, it still needs to closely contact e-commerce, launch an e-commerce platform, control the export of cement companies, concentrate on superior resources, explore new paths for joint development of mining and sales, and promote the upgrading of the traditional industry. Create intelligent factories and use big data to form a high-performance supply chain collaboration network to improve efficiency indicators.

vi. The industry chain continues to expand:

The environmental protection situation is becoming more and more serious, and the value of mine resources is gradually being discovered. The construction of green mines has become the top priority of the industry. In the future, large enterprises will integrate mine resources, extend the industrial chain of cement mines, accelerate the layout of aggregates of sand and gravel, and create more space for profits.

vii. It is becoming regular that the cement industry participates in the coordinated disposal of hazardous waste:

The hazard waste management project in 13th Five-Year Plan will be incorporated into the local municipal infrastructure plan to further strengthen the local hazardous waste management. With the maturity of co-processing technology, more and more clinker production lines have participated in collaborative disposal. The cement kiln co-processing

of solid wastes has begun to rise, further moving towards green environmental protection and sustainable development.

B. Cement industry in Taiwan

The Directorate-General of Budget, Accounting and Statistics of Executive Yuan pointed out that in order to achieve the policy focus of strengthening domestic demand, the general budget will cover more public construction and expand investment. The total budget for public construction in 2019 is 167.9 billion NTDs. If special budgets for such as the Comprehensive Management Plan of River Basin and the Forward-Looking Infrastructure Development Program are considered, the total budget would reach 263.3 billion NTDs, showing an increase of 24.1 billion NTDs or approximately 10.1% compared to that in 2018 to reach a record high since 2012. If the business and non-business special funds are included, the total budget would reach 129.4 billion NTDs, and the overall scale could reach 392.7 billion NTDs, showing an increase of 7.7% compared to that in 2018.

According to the overall economic forecast of the Taiwan Institute of Economic Research, although Taiwan's economy in 2019 exhibits a rebound, but if the US-China trade dispute continues to escalate, it will not only hurt the trade itself, but also the investment and manufacturing activities in the long run. Moreover, as the major central banks implement the tightening monetary policies at a pace faster than expected, the strengthening of the US dollar and the increase in borrowing costs have made some of the emerging markets affected, and it is feared that the capital flights will occur to intensify financial market volatility, which is not unfavorable to Taiwan's consumption performance, making the annual economic growth in 2019 slightly lower than that in 2018. According to the forecast published by the Taiwan Institute of Economic Research in November 2018, the GDP growth rate in 2019 is 2.20%, which is 0.37 percentage points lower than the 2.57% in 2018.

In terms of real estate, the number of houses sold in the housing market in 2018 was 280,000, an increase of 4% compared to 270,000 in 2017. However, the price gap between buyers and sellers is still large, and the housing market has not significantly reversed upwards. So, the follow-up still needs to be observed. Overall, the number of civil construction sites is estimated to decrease in 2019, and the number of public works is increasing. The total cement demand in Taiwan will increase slightly compared to that last year.

7. Business Outlook of the Company in 2019

The cement industry in Taiwan is in an environment of oversupply and fierce competition. However, China's cement industry is expected to maintain high price and profitability since 2018. The Company will continue its coherent production and marketing strategies and consistently adhere to the policy of "high quality, high efficiency, high environmental protection and low cost" as a response.

The Company has set the following goals for 2019. The estimated production volume in Taiwan is 3,549 thousand MT clinker and 3,630 thousand MT cement. The estimated sales volume in Taiwan is 3,800 thousand MT clinker and cement. The estimated production volume in China is 24,170 thousand MT clinker and 28,624 thousand MT cement. The estimated sales volume in China is 29,572 thousand MT clinker and cement.

8. The Company's Operating Status in the First Quarter of 2019

In the first quarter of 2019, the consolidated operating income of the Company is NT $ 19,385,675 thousand, increasing 17% from NT $ 16,573,882 thousand in the same period of 2018. The consolidated net profit is NT $ 3,810,086 thousand, increased 58 % from NT $ 2,415,347 thousand in the same period of 2018. Net profit attributable to owners of the Company is NT$ 2,929,272 thousand.

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

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
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 9th "Information Transparency and Disclosure Ranking System", Securities and Futures Institute.
July, 2013	The Company received A+ ranking award in the 10th "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 11th "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 12th “Information Transparency and Disclosure Ranking System", Securities and Futures Institute.
May 2015	The Company was ranked top 5% in “the 1st Corporate Governance Evaluation” by the TWSE.
June 2015	The Company is listed in “TWSE Corporate Governance 100 Index”
Aug. 2015	The Company is ranked 39th 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 2nd 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.
Apr. 2016	Jiangxi Yadong Cement Co. was awarded the "Energy Management System Certification".
Jun. 2016	Huanggang Yadong Cement Co. was awarded the honorary certification of "Hubei Famous Brand".
Sep. 2016	Sichuan Lanfeng Cement Co. was awarded 2016 "Chengdu manufacturing top hundred" and "Chengdu private enterprises top hundred".
Nov. 2016	The Hualien Plant was awarded “2016 Excellent Company for Voluntary Reduction of Greenhouse Gas Emissions” by the Industrial Development Bureau, MOEA.
Dec. 2016	Jiangxi Yadong was awarded the "3rd Mayor Quality Award" certification, in recognition of the company's outstanding contribution to the quality of the city's construction.
Dec. 2016	The Hualien plant obtained ISO 50001: 2011 energy management system certification in which Hsinchenshan Mine is also the first quarry in Taiwan obtained this certification.
Mar. 2017	The Hsinchenshan mining right of the Hualien plant of the Company is allowed to extent for 20 years to November 22, 2037.
Mar. 2017	Ccement.com announced the 2016 top 10 ranking of cement and clinker production capacity in China. ACC (China) ranked the 10th and won a top ten trophy.
Apr. 2017	The Company was ranked top 6%~20% in “the 3rd Corporate Governance Evaluation” by the TWSE.
Jun. 2017	The Hualien plant obtained ISO 14001:2015, the latest version of the environmental management system certification.
Jun. 2017	The Hualien plant obtained ISO 9001:2015, the latest version of the quality management system certification

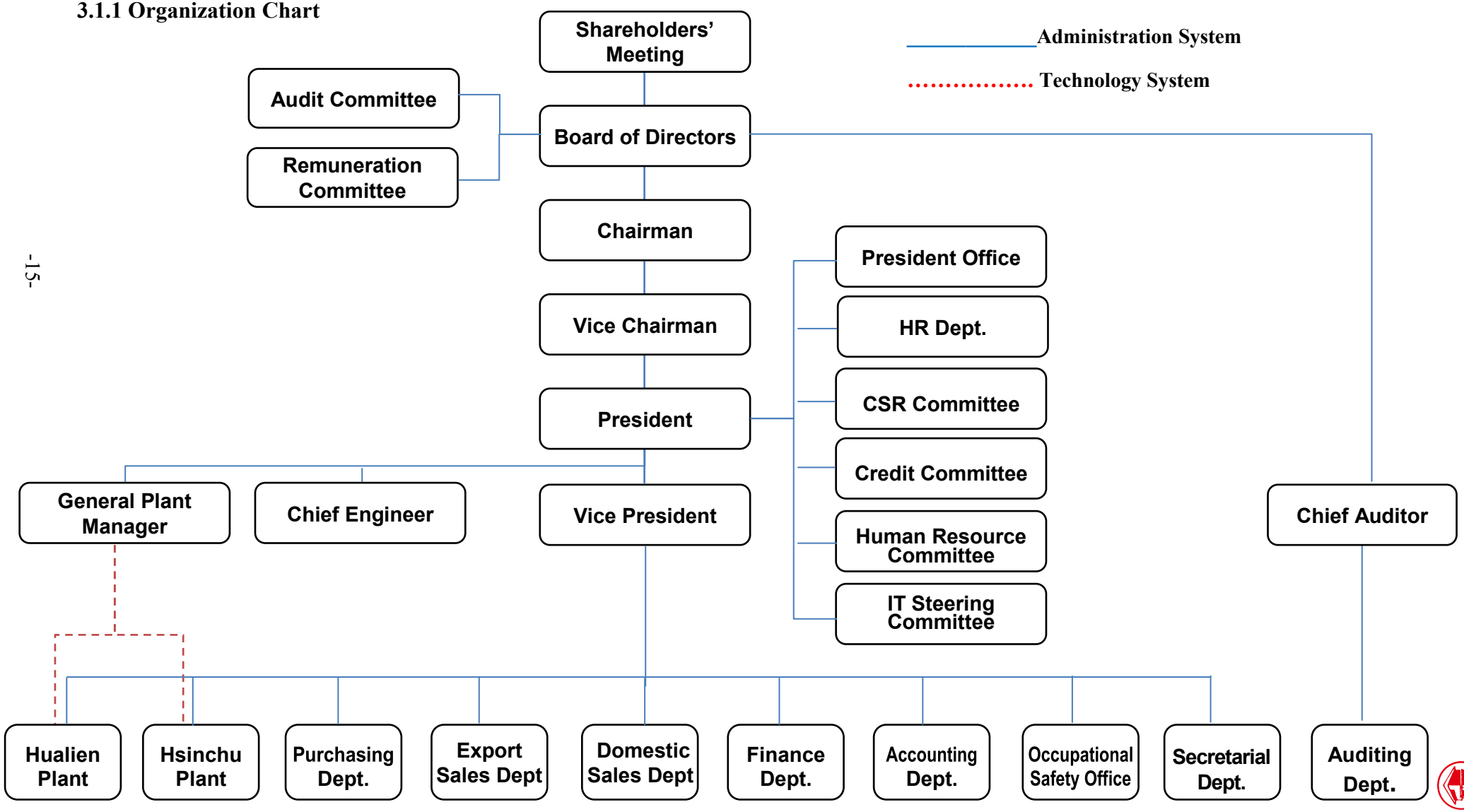
Oct. 2017	Huanggang Yadong was awarded the “National Excellent Quality Unit for Cement Quality Inspection in 2017” by the National Cement Quality Supervision and Inspection Center.
Nov. 2017	The Hualien Plant was awarded “2017 Excellent Company for Voluntary Reduction of Greenhouse Gas Emissions” by the Industrial Development Bureau, MOEA.
Apr. 2018	Jiangxi Yadong was awarded “Advanced Unit for Safe Production Goal Management in 2017 in Jiujiang”.
Apr. 2018	The Company was ranked top 6%~20% in “the 4th Corporate Governance Evaluation” by the TWSE.
May 2018	Huanggang Yadong participated in the First "China Green Mining Development Conference" and won the third-class technical certificate.
Jul. 2018	Sichuan Yadong Phase II and Phase III independent environmental protection acceptance project has been approved by the construction project environmental impact assessment information platform.
Sep. 2018	In order to benefit the long-term development and in response to rapid changes in China, Asia Cement (China) has adjusted human resource deployed in headquarters and each business area.
Nov. 2018	Huanggang Yadong passed four certifications including the new ISO management system (quality, environment, occupational health and safety, energy management).
Nov. 2018	The Hualien plant was awarded the "International Health and Safety Management System " award.
Mar. 2019	The first phase of elite training classes of Asia Cement (China) ended in Hubei Yadong with 40 training successors.
Apr. 2019	The Company was ranked top 6%~20% in “the 5th Corporate Governance Evaluation” by the TWSE.
Apr. 2019	Jiangxi Yadong was awarded the annual advanced production safety management unit by the Ruichang City Government.

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. Major duties: 1.Fair presentation of the financial reports, 2.The hiring (and dismissal), independence, and performance of CPA, 3.The effective implementation of the internal control system, 4.Compliance with relevant laws and regulations, and 5.Management of the existing or potential risks.
Remuneration Committee	Directly report to the Board of Directors. Prescribe and periodically review the performance and remuneration policy for directors 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.
HR Dept.	Plan and implement HR policies to reduce relevant risks. HR Department is also responsible for promoting ethical management of the Company.
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.
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.

The Company has established an information security risk management structure:

IT Steering Committee is responsible for reviewing internal information applications, office automation, network information and information security protection measures on a quarterly basis to provide operational, management and decision-making tools to reduce information security and effectiveness management risks.

In accordance with Articles 8 and 9 of the Regulations Governing Establishment of Internal Control Systems by Public Companies, the Company has established: “Management Procedures for the Protection of Personal Data” and “Processing Procedures of Computerized Information Systems”. The safety inspection operation check is included in the Company's 2018 and 2019 audit plans, which were reported to the board of directors for approval.

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	2017.06.27	3	1975.04.28	23,278,334	0.69%	23,278,334	0.69%	6,352,467	0.19%	Master of Economics, Columbia University Honorary Doctor, Chiao Tung 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	2017.06.27	3	1981.04.24	459,350 *750,511,324	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	2017.06.27	3	1984.04.25	453,745 *750,511,324	0.01% *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	2017.06.27	3	1987.04.16	338,429 *750,511,324	0.01% *22.33%	338,429 *750,511,324	0.01% *22.33%	0	0%	S.J.D., Harvard University	Senior Partner, Lee and Li Attorneys-At-Law Chairman, Taipei European School	-	-	-
Director Chin-Der Ou	2017.06.27	3	2005.06.09	0 *3,849,468	0% *0.11%	0 *3,849,468	0% *0.11%	0	0%	Ph.D., Case Western Reserve University	Director, Taiwan Construction Research Institute	-	-	-
Director Kun Yen Lee	2017.06.27	3	2005.06.09	2,361,557 *1,895,136	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	2017.06.27	3	2002.06.07	13,454,981 *4,819,800	0.40% *0.14%	13,454,981 *6,218,800	0.40% *0.19%	0	0%	Master of Operations Research, Stanford University Master of Information Science, UCLA	Vice Chairman, Far Eastern New Century Corp. Director, Far Eastone Telecommunications Co., Ltd	Chairman Director Director	Douglas Tong Hsu Connie Hsu Johnny Shih	Sibling Sibling relatives by marriage

Director Chen Kun Chang	2017.06.27	3	2011.06.22	29,745 *4,819,800	0.00% *0.14%	29,745 * 6,218,800	0.00% *0.19%	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	2017.06.27	3	1990.04.12	14,264,734 *4,837,436	0.42% *0.14%	5,264,734 *4,837,436	0.16% *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	2017.06.27	3	2011.06.22	0 *1,560,068	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	-	-	-
Director Champion Lee	2017.06.27	3	2002.06.07	0 *181,566,797	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.	-	-	-
Director Kwan-Tao Li	2017.06.27	3	2002.06.07	642,963 *1,505,585	0.02% 0.04%	642,963 *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:	-	-	-
Independent Director Ta-Chou Huang	2017.06.27	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	2017.06.27	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 Chair Professor, Soochou University	-	-	-
Independent Director Gordon S. Chen	2017.06.27	3	2014.06.16	0	0%	0	0%	0	0%	PhD. in Business Administration, National Taiwan	Chairman , Central Investment Corp.	-	-	-

	University Former Chairman, Financial Supervisory Commission

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

Representatives of Far Eastern New Century Corp.:	Director Tsai Hsiung Chang, Johnny Shih, C.V. Chen
Representative of Bai-Yang Investment Holdings Corp.:	Director Chin-Der Ou
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
Representative of Far Eastern Medical Foundation:	Director Champion Lee
Representative of U-Ming Corp.:	Director Kwan-Tao Li

Note 2: "*" indicates the number of shares held by Institutional Investors respectively represented by directors 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 holding shares in the name of other person.

Note 5: All Directors are Taiwanese Citizens. Director Connie Hsu is female while other Directors are male.

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

Title	Name of the Institutional Investors	First Date Elected	Most Recent Date Elected
Directors	Far Eastern New Century Corp	1987.04.16	2017.06.27
	Bai-Yang Investment Holdings Corp.	2001.05.16	2017.06.27
	Yue Ding Industry Co., Ltd.	2005.06.09	2017.06.27
	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	2005.06.09	2017.06.27
	Huey Kang Investment Corp.	2008.06.17	2017.06.27
	Ta Chu Chemical Fiber Co., Ltd.	2011.06.22	2017.06.27
	Far Eastern Medical Foundation	1987.04.16	2017.06.27
	U-Ming Corp.	1993.05.07	2017.06.27

Note: The first date elected as directors is 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	3.42
	Yuan-Ze University	2.74
	Nan Shan Life Insurance Co. , Ltd.	2.60
	Cathay Life Insurance Co., Ltd.	1.98
	Douglas Tong Hsu	1.71
	China Life Insurance Co., Ltd.	1.58
	Der Ching Investment Corp.	1.55
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
	Shin Kong Life Insurance Co., Ltd.	2.12
	Labor Pension Fund (the New Fund)	1.77
	Labor Pension Fund Committee of Far Eastern New Century Corporation	1.51
	Far Eastern Department Stores Co., Ltd.	1.49
	China Life Insurance Co., Ltd.	1.43
	Yuan-Ze University	1.41
	Far Eastern Memory Foundation	1.31
	Yu Yuan Investment Co., Ltd	1.29
Nan Shan Life Insurance Co. , Ltd.	First Commercial Bank Trustee Account For Representative of Ruen Chen Investment Holding Co., Ltd.	68.17
	Ruen Chen Investment Holding Co., Ltd.	22.46
	Y. T. Du	3.25
	Ruen Hua Dyeing & Weaving Co., Ltd.	0.28
	Ruentex Leasing Co., Ltd.	0.13
	Chi-Pin Investment Company	0.11
	Boon-Teik Koay	0.10
	Pou Hwang Investments Co.,Ltd.	0.05
	Pou Huei Investments Co.,Ltd.	0.05
	Pou Yih Investments Co.,Ltd.	0.05
	Pou Chi Investments Co.,Ltd.	0.05
Cathay Life Insurance Co. , Ltd.	Cathay Financial Holding Co., Ltd.	100.0
China Life Insurance Co., Ltd.	China Development Financial Holding Corp.	25.33
	KGI Securities Co., Ltd	9.63
	Cathay Life Insurance Co. , Ltd.	3.34
	Videoland Inc.	2.35
	Citi as Trustee For The Government Of Singapore Investment Corp.	1.73
	Labor Pension Fund (the New Fund)	1.34
	Linglang Zhan	1.27
	Citibank Taiwan in its Capacity as Master Custodian for Investment account of the Central Bank of Norway	1.19
	Funds of Saudi Arabia Central Bank at the discretionary account of Morgan Stanley Asset Management, in custody of JP Morgan Chase Bank	1.13
	JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Emerging Markets Stock Index Fund Investor Shares	1.08
Der Ching Investment Corp.	Asia Cement Corporation	99.99
	Asia Investment Corp.	0.01

Name of Juridical Persons	Major Shareholder of the Juridical Persons	%
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
	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

Name of Juridical Persons	Major Shareholder of the Juridical Persons	%
	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
	The committee of Employee Pension Fund of Far Eastern Department Stores Co., Ltd.	2.11
	Yu Yuan Investment Co., Ltd	2.06
	Special Account for Investment of the Central Bank of Norway in custody of Citibank(Taiwan)	2.00
	Tranquil Enterprise Ltd.	1.88
	Far Eastern Memory Foundation	1.71
	Yuan Ding Investment Company	1.66

3.2.4 Professional Qualifications and Independence Analysis of Directors

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			V			V				V		V	V	0
Tsai Hsiung Chang			V			V	V			V	V	V		0
Johnny Shih			V			V				V		V		0
C.V. Chen	V	V	V	V		V	V	V	V		V	V		0
Kun Yen Lee			V			V	V	V		V	V	V		0
Peter Hsu			V			V				V		V		0
Chen Kun Chang			V			V	V	V		V	V	V		0
Connie Hsu			V	V		V		V	V	V		V		0
Ruey Long Chen		V	V	V	V	V	V	V	V	V	V	V		4
Champion Lee			V			V	V			V	V	V		0
Chin-Der Ou	V	V	V	V	V	V	V	V	V	V	V	V		0
Kwan-Tao Li	V	V	V	V		V	V		V		V	V		0
Ta-Chou Huang	V		V	V		V	V	V	V	V	V	V	V	0
Chi Schive	V		V	V	V	V	V	V	V	V	V	V	V	3
Gordon S. Chen	V		V	V	V	V	V	V	V	V	V	V	V	2

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.
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 27, 2017.**

3.2.5 Management Team

As of Mar. 31, 2019

Title	Name	Gender	Effective Date	Shareholding		Spouse & Minor Shareholding		Experience(Education)	Other Title
				Shares	%	Shares	%		
President	Kun Yen Lee	Male	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	Male	2000.08.01	811	0.0000	0	0	Bachelor degree in Chemical, Tunghai University	Director, China Hi-Ment Corporation
Executive Vice President	Doris Wu	Female	2016.04.01	0	0	0	0	Bachelor degree in Accounting, California State University	Supervisor, Oriental Union Chemical Corp.
Vice President	C.M. Chen	Male	2007.07.01	39,801	0.0012	68,596	0.0020	Bachelor degree in International Trade, Tamkang University	Director, Nan Hwa Cement Corp.
Vice President	W.K. Chou	Male	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	Male	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
Vice President	T.L. Yu	Male	2019.01.01	122,202	0.0036	98	0.0000	Bachelor degree in Business Administration, University of the Philippines	Director, Yu Yuan Investment Co., Ltd

Title	Name	Gender	Effective Date	Shareholding		Spouse & Minor Shareholding		Experience(Education)	Other Title
				Shares	%	Shares	%		
Deputy Chief Auditor	W.H. Yeh	Male	2013.10.16	0	0	0	0	Bachelor degree in Accounting, Soochow University	Supervisor, Nan Hwa Cement Corp.
Special Assistant of President Office	T.M. Chen	Male	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	Male	2012.10.01	0	0	0	0	Bachelor degree in Law, Soochow University	Director, Fu Shan Mineral Stone Co., Ltd.
Assistant Vice President	H.Y. Kao	Female	2013.10.16	832	0.0000	467	0	Bachelor degree in Accounting, Soochow University	Director, Der Ching Investment Corp.
Assistant Vice President of Finance Dept.	Dana Lee	Female	2019.03.01	0	0	0	0	Master degree in Business Administration,, Soochow University	Supervisor, Ya Li Transportation Corp.
Assistant Vice President of Finance Dept.	Karen Yang	Female	2019.03.01	0	0	0	0	Master degree in Business Administration, Pace University USA	Supervisor, Der Ching Investment Corp.
Manager of Domestic Sales Dept.	C.H. Chung	Male	2018.09.01	0	0	0	0	Master degree in International Business Administration, Da Yeh University	Director, China Hi-Ment Corporation
Manager of Export Sales Dept.	Gary Lee	Male	2018.09.01	0	0	0	0	Master degree in International business, Soochow University	Director, Ya Li Precast Concrete India Pvt. Ltd
Manager of the Hsinchu Plant	C.H Chuang	Male	2019.01.08	0	0	0	0	Bachelor degree in Mechanical Engineering, National Taiwan Institute of Technology	-

∗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

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	All companies*	ACC Cash Bonus	All companies* Cash Bonus	ACC	All companies*	
Chairman	Douglas Tong Hsu	8,288	8,288	0	0	16,000	16,100	120	2,201			0	0	0	0	0	0			114,659
Director	Far Eastern New Century Corp.	0	0	0	0	18,000	18,000	0	0			0	0	0	0	0	0			0
Director Director Director	Far Eastern New Century Corp. Representatives: Tsai Hsiung Chang Johnny Shih C.V. Chen																			
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	2,678	4,529	0	0	189,658	193,107	1,296	5,164	2.123%	2.225%	7,138	10,369	216	216	3,282	3,282	2.219%	2.350%	78,428
Director	Huey Kang Investment Corp. Representative: Connie Hsu																			
Director	Far Eastern Medical Foundation Representative: Champion Lee																			
Director	Bai-Yang Investment Holdings Corp Representative: Chin-Der Ou																			
Director	U-Ming Corp Representative:																			

	Kwan-Tao Li																			
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$ 79,000, 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 2.473% and 2.219% of ACC net income. Total directors' remuneration paid by all companies listed in consolidated operational report accounted for 2.704% and 2.350% 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	C.V. Chen, Connie Hsu, Ruey Long Chen, Chen Kun Chang, Champion Lee, Kwan-Tao Li, Chin-Der Ou,Yue Ding Industry Co., Ltd.	C.V. Chen, Connie Hsu, Ruey Long Chen, Champion Lee, Kwan-Tao Li, Chin-Der Ou,Yue Ding Industry Co., Ltd.	C.V. Chen, Connie Hsu, Ruey Long Chen, Chen Kun Chang, Champion Lee, Kwan-Tao Li, Chin-Der Ou,Yue Ding Industry Co., Ltd.	C.V. Chen, Connie Hsu, Ruey Long Chen, Chin-Der Ou,Yue Ding Industry Co., Ltd.
NT$2,000,000～NT$5,000,000	Ta-Chou Huang, Chi Schive, Gordon S. Chen	Ta-Chou Huang, Chi Schive, Gordon S. Chen, Chen Kun Chang	Ta-Chou Huang, Chi Schive, Gordon S. Chen	Ta-Chou Huang, Chi Schive, Gordon S. Chen, Chen Kun Chang, Kwan-Tao Li
NT$5,000,000～NT$10,000,000	Tsai Hsiung Chang, Kun Yen Lee, Peter Hsu, Johnny Shih, Huey Kang Investment Corp, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology Memorial Foundation, Bai-Yang Investment Holdings Corp, U-Ming Corp, Far Eastern Medical Foundation	Tsai Hsiung Chang, Peter Hsu, Huey Kang Investment Corp, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology Memorial Foundation, Bai-Yang Investment Holdings Corp, U-Ming Corp, Far Eastern Medical Foundation	Peter Hsu, Huey Kang Investment Corp, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology Memorial Foundation, Bai-Yang Investment Holdings Corp, U-Ming Corp, Far Eastern Medical Foundation	Champion Lee, Huey Kang Investment Corp, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology Memorial Foundation, Bai-Yang Investment Holdings Corp, U-Ming Corp, Far Eastern Medical Foundation

NT$10,000,000～NT$15,000,000	-	Kun Yen Lee, Johnny Shih,	Tsai Hsiung Chang, Johnny Shih,	Tsai Hsiung Chang,
NT$15,000,000～NT$30,000,000	Douglas Tong Hsu, Far Eastern New Century Corp.	Douglas Tong Hsu, Far Eastern New Century Corp.	Douglas Tong Hsu, Kun Yen Lee, Far Eastern New Century Corp.	Kun Yen Lee, Far Eastern New Century Corp.
NT$30,000,000～NT$50,000,000	-	-	-	Johnny Shih,
NT$50,000,000～NT$100,000,000	-	-	-	Peter Hsu,
Over NT$100,000,000	-	-	-	Douglas Tong Hsu
Total	23	23	23	23

＊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 President and Vice Presidents

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 Cash Bonus	All companies* Cash Bonus	ACC	All companies*	
President	Kun Yen Lee	16,741	17,481	648	648	3,749	3,749	9,718	9,718	0.278%	0.284%	1,345
Chief Executive Vice President	Y.F. Chang											
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 $ 44,300.
＊Within recent two fiscal years, total remuneration of the President and Vice Presidents accounted for 0.528% and 0.278% of ACC net income. Total amount of President and Vice Presidents' remuneration paid by all companies listed in consolidated operational report accounted for 0.542%及 0.284% 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	C.M. Chen, W.K. Chou, Z.P. Chang	C.M. Chen, W.K. Chou, Z.P. Chang
NT$5,000,000～NT$8,000,000	Kun Yen Lee, Y.F. Chang, Doris Wu	Kun Yen Lee, Y.F. Chang, Doris Wu
NT$8,000,000～NT$10,000,000	-	-
Total	6	6

∗ 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

	Title	Name	Stock Bonus	Cash Bonus	Total Amount	Total Amount/Net Income
Executive Officers	President	Kun Yen Lee	0	12,456	12,456	0.112%
	Chief Executive Vice President	Y.F. Chang				
	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				
	Senior Assistant Vice President	T.L. Yu				
	Deputy Chief Auditor	W.H. Yeh				
	Special Assistant of President Office	T.M. Chen				
	Manager of Accounting Dept.	H.Y. Kao				

* The proposed amounts of 2018 managers' remunerations need to be approved by the 2019 regular shareholders' meeting.

* Assistant Vice President, C.P. Sue, has retired on Aug. 2018.

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	13,404	13,404
2	Chief Executive Vice President	Y.F. Chang			
3	Executive Vice President	Doris Wu			
4	Vice President	C.M. Chen			
5	General Plant Manager	Z.P. Chang			
6	Vice President	W.K. Chou			
7	Deputy Chief Auditor	W.H. Yeh			
8	Manager of Secretarial Dept.	Manfred Wang			
9	Manager of Finance Dept.	C.Y. Sue			
10	Manager of Accounting Dept.	H.Y. Kao			

* The employees' remuneration comes from the profits of 2018.
* Assistant Vice President C.P. Sue ha retired and T.L. Yu has transferred to contract employee. Therefore they do not participate in the remuneration distribution of employees.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

There are 6 meetings of the Board of Directors held in the period from January 1, 2018 to May 10, 2019. 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.27, 2017
Director	Representatives of Far Eastern New Century Corp.	Tsai Hsiung Chang	6	0	100%	Reappointment Jun.27, 2017
		Johnny Shih	6	0	100%	Reappointment Jun.27, 2017
		C.V. Chen	5	1	83%	Reappointment Jun.27, 2017
Director	Representative of Yue Ding Industry Co., Ltd.	Kun Yen Lee	6	0	100%	Reappointment Jun.27, 2017
Director	Representatives of Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	Peter Hsu	6	0	100%	Reappointment Jun.27, 2017
		Chen Kun Chang	6	0	100%	Reappointment Jun.27, 2017
Director	Representative of Ta Chu Chemical Fiber Co.,Ltd	Ruey Long Chen	4	2	67%	Reappointment Jun.27, 2017
Director	Representative of Huey Kang Investment Corp.	Connie Hsu	6	0	100%	Reappointment Jun.27, 2017
Director	Far Eastern Medical Foundation	Champion Lee	6	0	100%	Newly-elected Jun.27, 2017
Director	Bai-Yang Investment Holdings Corp.	Chin-Der Ou	5	1	83%	Newly-elected Jun.27, 2017
Director	U-Ming Corp.	Kwan-Tao Li	4	2	67%	Newly-elected Jun.27, 2017
Independent Director	Ta-Chou Huang		5	1	83%	Reappointment Jun.27, 2017
	Chi Schive		4	2	67%	Reappointment Jun.27, 2017
	Gordon S. Chen		6	0	100%	Reappointment Jun.27, 2017

* Each Board of Directors Meeting has at least 2 independent director who attended the meeting in person, which meets the requirements of Article 7 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies

3.3.2 Other mentionable items:

1. Board of Directors
   A. Items listed in the Article 14-3 of the Securities Exchange Act: Please refer to 3.3.12 Major Resolutions of Shareholders' Meeting and Board Meetings
   B. Except for the above matters, the three independent directors of the Company gave us valuable opinions with no objections or reservations on all discussed matters. The directors' statements were all set out in the minutes of the board meeting.
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 for the period from 2018.01.01.~2019.05.10.
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, May 11, 2017, and May 10, 2018.
   C. The score of 2018 evaluation falls between 3.36~3.71, compared to 4 points as full score indicating good performance.
   D. In the past years, the score of evaluation has remained on high level, which is due to the fact that members of the board of directors attach importance to assessment indicators and assessment standards and cooperate with implementation. It is helpful to further implement the Company's corporate governance and enhance the board's functions.
   E. The Corporate Governance Officer and Secretarial Department faithfully plays the role of reminding directors to follow regulations and is respected by the directors.

3.3.3 Annual priorities of Audit committee

The Audit Committee is designed to assist the Board in fulfilling its quality and integrity in overseeing the Company's accounting, auditing, financial reporting processes and financial controls.

The annual priorities reviewed by the Audit Committee mainly include: financial statements; audit and accounting policies and procedures; internal control systems and related policies and procedures; significant assets or derivatives transactions; major loans, endorsements or guarantees; raising or issuing securities; derivative products and cash investments; compliance; potential conflicts of interest for managers and directors; complaint report; fraud prevention and fraud investigation report; information security; company risk management; CPA independence and performance evaluation; appointment, dismissal or remuneration of CPA; appointment and dismissal of financial, accounting or internal audit managers; and other major matters prescribed by laws and regulations.

According to the laws, members of the Audit Committee shall be composed of all independent directors. The members of the Audit Committee of the Company has complied with the above-mentioned laws.

The Audit Committee of the Company fully understands that in order to perform its duties, it

has the right to conduct any appropriate audits and investigations, and has direct communication with the Company's internal auditors, CPA, and all employees. At the same time, the Audit Committee also understands it has the right to hire and supervise lawyers, accountants or other consultants to assist the Audit Committee in performing its duties.

Please refer to the Company's website for the organization and working procedures of the Audit Committee of the Company.

3.3.4 Attendance of Audit committee

There are 6 meetings of the Audit committee held in the period from January 1, 2018 to May 10, 2019. Independent directors' Attendance Condition was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate	Notes
Convener	Ta-Chou Huang	5	1	83.00%	-
Member	Chi Schive	6	0	100.00%	-
Member	Gordon S. Chen	6	0	100.00%	-

Other mentionable items:

1. Items listed in Article 14-5 of the Securities Exchange Act:

Meeting date	Items	Items listed in Article 14-5 of the Securities Exchange Act:	The resolution of the audit committee's and the Company's handling
2017/08/07	Audit report of 2017 Q2	V	All members present at the meeting agreed to pass the items and submitted it to the board of directors in which all attended directors the approved without objection. .
	Acquisition and disposal of fixed assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Report of acquisition or disposition of securities	V	
	Consolidated financial report of 2017 H1	V	
	Revision of the Company's "Internal Control System" and "Internal Audit System and Implementation Rules"	V	
2017/11/06	Audit report of 2017 Q3		
	Acquisition and disposal of fixed assets	V	
	Report of endorsements / guarantees with affiliates	V	
	In order to raise working capital, the Company applied for credit from financial institutions.	V	
	2018 audit plan	V	
	Revision of the Company's "Internal Control System" and "Internal Audit System and Implementation Rules"	V	
2018/03/19	Audit report of 2017 Q4.	V	
	Assessment the impact of International Financial Reporting Standards No. 16 "Leases" on the Company	V	
	Acquisition and disposal of fixed assets	V	

	Report of endorsements / guarantees with affiliates	V	
	In order to raise working capital, the Company applied for credit from financial institutions.	V	
	2017 consolidated financial report and individual financial report	V	
	2017 dividend distribution	V	
	Appointment of accountants auditing the financial statements for 2018	V	
	Approval to 2017 "Internal Control System Statement"	V	
	To amend the 2018 audit plan	V	
	To issue non-guaranteed overseas convertible bond up to USD 500 million.	V	
	To issue Cross Currency Swap for USD 500 million.	V	
2018/05/08	Audit report of 2018 Q1	V	
	Acquisition and disposal of fixed assets	V	
	Report of endorsements / guarantees with affiliates	V	
	In order to raise working capital, the Company applied for credit from financial institutions.	V	
	Report the company's 2017 annual business report	V	
2018//08/13	Audit report of 2018 Q2.	V	
	Acquisition and disposal of fixed assets	V	
	Report of endorsements / guarantees with affiliates	V	
	In order to raise working capital, the Company applied for credit from financial institutions.	V	
	Consolidated financial report of 2018 H1	V	
	Service fee for CPA for 2018 financial report	V	
2018/11/06	Audit report of 2018 Q3	V	
	Consolidated financial report of 2018 Q3	V	
	Issued unsecured overseas convertible bonds report	V	
	Acquisition and disposal of fixed assets	V	
	Report of endorsements / guarantees with affiliates	V	
	2018 audit plan	V	
	Revision of the Company's "Internal Control System" and "Internal Audit System and Implementation Rules"	V	
2019/03/19	Audit report of 2018 Q4.	V	
	Cross Currency Swap (CCS) Report	V	
	Acquisition and disposal of fixed assets	V	
	Report of endorsements / guarantees with affiliates	V	
	In order to raise working capital, the Company applied for credit from financial institutions.	V	
	2018 consolidated financial report and individual financial report	V	
	2018 dividend distribution	V	
	Appointment of accountants auditing the financial statements for 2019 and their service fee	V	
	Approval to 2018 "Internal Control System Statement"	V	

	To amend Internal Control System	V	
	To amend Accounting System	V	
	Issuance of Long-term Commercial paper	V	
	Proposed to issue medium and long-term unsecured commercial paper with total amount not exceeding NT$10 billion in order to repay the loan, enrich the medium and long-term working capital, and strengthen the financial structure.	V	
	Proposed to issue unsecured corporate bonds in once or in a batch with total amount not exceeding NT$10 billion in order to repay the loan, enrich the medium and long-term working capital, and strengthen the financial structure.	V	
	To issue a letter of support for the Company's subsidiary, Chiahui Power Corp., for 20-year-term NT$10.5 billion syndicated loan.	V	
	To amend "Procedure for Acquisition and Disposal of Assets"	V	
	To amend "Procedure for Making Endorsements and Guarantees".	V	
	To amend "Procedure for Loan to Others".	V	
2019/05/10	Audit report of 2019 Q1	V	
	Consolidated financial report of 2019 Q1	V	
	Acquisition and disposal of fixed assets	V	
	Report of endorsements / guarantees with affiliates	V	
	In order to raise working capital, the Company applied for credit from financial institutions.	V	
	Report the Company's issued 2019 corporation bond	V	
	Report the Company's 2018 annual business report	V	

There are no other matters that did not pass the audit committee and agreed by more than two-thirds of all directors.

2. If there is Independent Directors' avoidance of motions in conflict of interest, the Independent Directors' names, contents of motions, causes for avoidance and voting should be specified: None.

3. Communications with internal audit manager and CPA:
   (1) Internal audit manager reports the plans and execution of audit works to Independent Directors every quarter and implement the instructions and follow-up of each independent director.
   (2) CPA and accounting manager report financial and operation business to Independent Directors every quarter

Meeting date	Items discussed with internal auditor	Items discussed with CPA
2018/03/19	1. Audit report of 2017 Q4. 2. Approval to 2017 "Internal Control System Statement" 3. To amend the 2018 audit plan	1. The 2017 individual and consolidated financial statements 2. Assessment of accounting professional judgment, accounting policies and estimation changes. 3. Communication of key check matters. 4. The impact of the new laws and accounting standards on the Company. 5. Other.
2018/05/08	Audit report of 2018 Q1	1. The results of 2018 Q1 consolidated financial statements. 2. The impact of the new accounting standards on the Company. 3. Other.
2018/08/13	Audit report of 2018 Q2	1. The results of 2018 Q2 consolidated financial statements. 2. The impact of the new laws on the Company. 3. Other.
2018/11/06	1. Audit report of 2018 Q3. 2. To amend 2018 audit plan 3. Revision of the Company's "Internal Control System" and "Internal Audit System and Implementation Rules"	1. The 2018 Q3 consolidated financial statements 2. Communication of key check matters. 3. The impact of the new laws and regulation on the Company. 4. Other.
2019/03/19	1. Audit report of 2018 Q4. 2. Approval to 2018 "Internal Control System Statement" 3. To amend the 2018 audit plan	1. The 2018 individual and consolidated financial statements 2. Assessment of accounting professional judgment, accounting policies and estimation changes. 3. Communication of key check matters. 4. The impact of the new laws and accounting standards on the Company. 5. Other.
2019/05/10	Audit report of 2019 Q1	1. The results of 2019 Q1 consolidated financial statements. 2. The impact of the new

Meeting date	Items discussed with internal auditor	Items discussed with CPA
		accounting standards on the Company. 3. Other.

The three independent directors of the Company gave us valuable opinions with no objections or reservations on all discussed matters. The directors' statements were all set out in the minutes of the Audit Committee meeting.

3.3.5 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 Audit Committee 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. 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 "Corporate Governance Codes" are also considered. In the members of the 26th 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 is Connie Hsu. C.V. Chen and Kwan-Tao Li specialize in legal matters. Ruey Long Chen served as Minister of Economy. Chin-Der Ou served as vice mayor of Taipei City. 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	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		mentionable that 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: Human Resource Committee: Review and advice to modify the Company's organization structure, rules of personnel management, and other important human resource matters. Credit Committee: Execute "Regulations for Managing Client's Credit" enacted by the Company and take charge of risk control of account receivable. CSR Committee: Responsible for investigating and identifying	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		corporate sustainability issues and to respond major considerations of stakeholders in order to implement the goal of sustainable development. 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. The company enacted "Procedures for Evaluating the Board's Performance" on May 13, 2015 and conducts it annually. Evaluation methods: 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 evaluation items, calculate a weighted	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			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, 2019. The Procedures for Evaluating the Board of Directors’ Performance has been disclosed on the Company’s website. The Company's corporate governance department is studying whether the board's performance evaluation to be evaluated externally.	
(4) Does the company regularly assess the independence of accountants?			The Company appointed Li Wen Kuo and Yu Wei Fan of Deloitte & Touche to audit 2017	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			financial statements. The independence assessment of these two CPAs was based on Article 47 of the Accountants Law and related regulations. The result has been approved on March 19, 2018 and Marh 23, 2018 by the Audit Committee and Board of Directors. In 2019, due to internal function adjustments in Deloitte & Touche-Taiwan, it adjusted the Company's CPA to Hsin Wei Tai and You Wei Fan. The independent assessment and qualifications of the CPA have been submitted to the Audit Committee on March 19, 2019 and the Board of Directors on March 20. The Audit Committee and the Board of Directors meeting will regularly in March each year to assess the independence of CPAs.	
4. Does the company establish specialized units or dedicated members and personnel responsible for corporate governance affairs, as well as carrying out key actions and reporting statuses (e.g. : including but not limited to provide the information that board directors and supervisors request to perform their duties, ensuring the general affairs of board meetings and shareholders' meetings are held in accordance with regulations, applying and changing of company registration, and taking meeting minutes for board meetings and shareholders' meetings.)	V		1. On May 10, 2019, the Board of Directors appoints Vice President, Wei Kun Chou of the Secretarial Dept. as the Corporate Governance Officer. The secretarial Dept. serves as the secretary of the board of directors to promote corporate governance. Each member of the Secretarial Dept. has more than 20 years' working experience in the management of legal affairs and board affairs. 2. The main responsibilities are as follows: ※ Develop company and organizational structure to promote the independence of the board of directors, transparency, corporate	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			governance, and internal control. ※ Plan to convene the Board of Directors and Audit Committee and their agenda at least prior 7 days before the meetings with sufficient meeting information to facilitate the directors to understand the contents of the relevant issues and conflict of interests in advance. ※ To registry the date of the shareholders' meeting every year, and to issue the meeting notice, annual report and handbook in both English and Chinese. The relevant documents shall be approved by the vice president and president. ※ To survey the board's performance evaluation and report to the board of directors annually.	
2. 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
3. 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	
4. 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 3.3.5 8(2) Investor Relations of this Annual Report.	None
5. 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)?	V		(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.	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) 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. (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: 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	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			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: On November 9, 2018, the Board of Directors agreed to purchase liability insurance for directors, and supervisors, and important employees of the Company and affiliates in the consolidated financial statements, and it took effect on December 1, 2018.	
6. Base on the result of "Corporate governance Evaluation" announced by TWSE (Taiwan Stock Exchange Corporation) in a recent year to illustrate the status of matters have been already improved and priority measures to reinforce matters haven't been improved：	V		The Company was ranked 6%~20% in "the 2018 Corporate Governance Evaluation" by the TWSE. This year will focus on improving non-scored items: whether the company website or annual report exposes the integrity management policy, as well as the specific practices and prevention of dishonesty. Improvement: The 2018 annual report will detail the specific measures such as the integrity management education training (including the course, hours and participants).	None

3.3.6 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	1	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 term of the Remuneration Committee started on June 27, 2017.

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.
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 27, 2017 to June 26, 2020. Totally, 2 meetings of the Remuneration Committee were held in the latest year. Members' attendance condition was as follows:

Position	Name	Attendance in Person	Attendance in Proxy	Attendance rate	Notes
Convener	Chi Schive	2	0	100	Incumbent
Member	L.Z. Dong	2	0	100	Incumbent
Member	S.Y. Su	2	0	100	Incumbent
Member	M.X. Lin	2	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.

Meeting Date	Discussion item	Approve	Opinion processing situations
2018/03/21	President and vice president's 2017 performance evaluation	V	All members present at the meeting agreed to pass the items without objection. .
	2017 directors' and employees' remuneration	V	
	President and vice president's 2018 performance evaluation items	V	
2018/12/04	2017 directors', president's, and vice presidents' remuneration, and the situation of the cement industry	V	

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.

In accordance with the provisions of Article 12 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", the members of Remuneration Committee shall not be less than three, and more than half of the members shall be independent directors (to be completed by June 30, 2019).

The Board of Directors of the Company decided to change the number of Remuneration Committee to three on May 10, 2019, and appointed Independent Director, Ta-Chou Huang, as a member. L.Z. Dong and S.Y. Su were discharged to meet the requirements of the regulations. After the change, the members of the Remuneration Committee are the independent director Chi Schive (convener), independent director Ta-Chou Huang, and Ms. M.X. Lin.

3.3.7 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 Company also briefed to the shareholders' meeting held on June 26, 2018 on the CSR implement plans and its results which is disclosed in the Company's website and CSR Report. The performance and awards for the CSR report lists as following: a. The Company for two consecutive years won the Asia Responsible Enterprise Awards (Green Leadership). The award-winning theme are "Cement Plant/Mining Area Sustainable Green Action Project" and "Deeply Rooting the Seeds of Sustainable Hope – Asia Cement environment education Project " b. The Company won the TCSA "Top 50 Comprehensive Performance Award", "Top 50 CSR Report Platinum Award", "English Report Award", "Social Integration Award", "Climate Leadership Award" and "Talent Development Award". c. The Company is listed in "TWSE Corporate Governance 100 Index". d. The Company is recognized as a constituent of the FTSE4Good TIP Taiwan ESG Index by Taiwan Index Company and FTSE Russell. e. Grade B for Carbon Disclosure Project. f. The Company awarded "Excellent Company for Voluntary Reduction of Greenhouse Gas Emissions" by the Industrial Development Bureau, MOEA	None

			for the sixth time. g. A service center is set up next to the quarry to provide local residents with mining safety information, emergency assistance, and house repairs. h. Promote after-school classes for 70 Indigenous students adjacent to the quarry. i. The scale of the ecological park is expanded to provide free access to the public and providing environmental education courses and touring. j. Visitors for our Butterfly Garden the Ecological Park: 11,743 people. k. The Company provides household electricity subsidy and professional engineering teams for home improvement services adjacent to the quarry.	
(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 * On July 24, 2018 and December 24, 2018, the Far Eastern Group Human Development Center invited the Taiwan Financial Research Institute to hold the "Board and Supervisors Operation Practice and Corporate Governance Seminar". HR Department of the Company also irregularly provides CSR-related seminars. * New colleagues are asked to accept E-learning courses: CSR workplace ethics * CSR Workplace Ethics Lecture: August 16, 2017: Circular Economy - Hope for a New Era (Professor Ma Hongwen, National Taiwan University April 25, 2018: Significance and Practice of Social Impact Assessment (Professor Zhou Guitian, National Taiwan University) August 15, 2018: To see the aboriginal in Asia Cement (seniors and cultural workers of Taroko, Mr. Huang Changxing)	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	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 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

reporting to the board?				
(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 2018. 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). 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.	None
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	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

characteristics of their industries?				
(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, 2015, 2016, and 2017 by the Industrial Development Bureau, MOEA. Please refer to our CSR report for more information.	None
3. Preserving Public Welfare (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The Company complies with all national regulations and international labor human rights norms, including international labor conventions, the UN Universal Declaration of Human Rights and other norms. The Company also formulates policies that are in line with business ethics, environmental, social issues, human rights and other public policy. Implements status is disclosed in annual reports, CSR report, or the Company’s website. 1. The Company fully complies with Labor Standards Law and other regulations, emphasizes the balance between working, family and leisure life, and prohibits child labor and all other forms of forced labor and discrimination. 2. In order to establish a gender equality workplace, the Company provides childcare leave, family care leave, physiology leave, maternity leave, paternity leave, and breastfeeding room. 3. Every year, the Company arranges employee health examinations, holds health seminars, and promotes the employee assistance program (EAP). For details, please refer to the 5.5 Labor Relations and the CSR Report. 4. Human Resource Committee of the Company follows the provisions of Article 18, Item 2 of the Code of Practice for Corporate Social	None

			Responsibility, formulates the human rights policy of the Company, and regularly evaluates the impact of the Company's operating activities and internal management on human rights, and has corresponding procedures. 5. Specific management plan: The Company provided training on human-rights related issues in 2018 (including corporate social responsibility in human rights practice, cross-cultural communication and understanding, labor education, health management and mental health related courses) with total 28 courses for 85 hours and 980 trainees.	
(2) Has the company set up an employee hotline or grievance mechanism to handle complaints with appropriate solutions?	V		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 "Human resources" and "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.	None

			Employees could also file a complaint via the Labor Union. There is no complaint brought to us in 2017. Above mentioned rules are disclosed on the Company's website.	
(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. * In 2003, in response to Hsinchu plant's mining rights expired, there was a need for layoffs. The company informed the union representatives in detail and the incident eventually ended in peace. The fundamental reason is that the Company faithfully notifies employees of operational changes that may have a significant impact. * In 2018, the Hsinchu plant struggling over 15 years had to lay off again due to the high cost of raw materials. This layoff has not caused any controversy. 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 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 3.3.5 “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. Please refer to our CSR report for more information.	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 haves 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 Standards and verified by SGS Taiwan Limited in according with AA 1000 Assurance Standard.				

3.3.8 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 5th meeting of 24th Board of Directors on June 27, 2012 and reported to the 2013 shareholders' meeting. The Company has post "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: a. Set a standard distinguishing improper benefits, b. Set procedures for political donations, c. Set procedures for charity donations or sponsorship, d. Set reporting and handling procedures to avoid job-related conflicts of interest, e. Set an information firewall to prevent sensitive information or undisclosed information and to prevent the use of the non-disclosed information in insider trading, f. Set working procedures dealing with dishonest actions involved by suppliers, customers, and trading partners and others, g. Set working procedures dealing with violators of Principles for Ethical Management, h. 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 independent directors.	None
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	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	
(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 assessment.	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		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. The Company provides online workplace ethics education training. The length is 80 minutes. In 2018, in addition to the continuous training of employees, 40 new employees were required to be trained.	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? (2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	V 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	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 provide proper whistleblower protection?	V		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. 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.				

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	
No Discrepancies.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and 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.

5.3.9 The Training for Directors

Name	Date	Organizer	Course Title and Lecturer	Hours
Directors Douglas Tong Hsu Tsai Hsiung Chang Johnny Shih Peter Hsu Kun Yen Lee Connie Hsu C.V.Chen C.K.Chang Chin-Der Ou Champion Lee **Independent Directors** Ta-Chou Huang Chi Schive Gordon S.Chen	Jul.24,2018	Taiwan Academy of Banking and Finance	Board Operations Practice and Corporate Governance Workshop	3
Directors Douglas Tong Hsu Tsai Hsiung Chang Johnny Shih Kun Yen Lee Connie Hsu C.K.Chang Chin-Der Ou Champion Lee Kwan-Tao Li **Independent Directors** Ta-Chou Huang	Dec.24,2018	Taiwan Academy of Banking and Finance	Board Operations Practice and Corporate Governance Workshop	3
Directors Peter Hsu	Aug.1,2018	Corporate Governance Association	Supervisor and important staff liability insurance	3
Directors C.V.Chen	Sep.18,2018	Corporate Governance Association	Discussion on the Influence of the New Law of Money Laundering Prevention on Enterprises	3
Directors Ruey Long Chen	Sep.21,2018	Securities & Futures Institute	Analysis of important issues in the latest company law	3
Directors Ruey Long Chen	Sep.21,2018	Securities & Futures Institute	Development trend and important norms of money laundering and fear prevention	3
Directors Kwan-Tao Li	Nov.13,2018	Corporate Governance Association	The impact of the Sino-US war on enterprises and the corresponding measures	3
Independent Directors Chi Schive	Sep 18,2018	Corporate Governance Association	Discussion on the Influence of the New Law of Money Laundering Prevention on Enterprises	3
Independent Directors Chi Schive	Nov.8,2018	Corporate Governance Association	Latest revision trend and analysis of company law	3
Independent Directors Gordon S.Chen	Sep.26,2018	TWSE	107 ESG Investment Forum	3

3.3.10 The Training for Managers

Title	Name	Date	Organizer	Course Title and Lecturer	Hours
Deputy Chief Auditor	W.H.Yeh	Feb.5,2018	The Institute of Internal Auditors-Chinese Taiwan	Analysis of the internal control practices of the latest labor law amendments and recent malpractices	6
		Apr.20,2018	The Institute of Internal Auditors-Chinese Taiwan	Anti-Enterprise Hidden Concerns on the Main Line of Defense of Business Management	6
Assistant Vice President	H.Y. Kao	May.24,2018-May.25,2018	Accounting Research and Development Foundation	Training Courses for accounting managers	12
President Chief Executive Vice President Executive Vice President Vice President Vice President Vice President General Plant Manager Deputy Chief Auditor Assistant Vice President Manager Special Assistant	Kun Yen Lee Y.F.Chang Doris Wu C.M.Chen W.K.Chou T.L.Yu Z.P.Chang W.H.Yeh Nancy Kao Manfred Wang T.M.Chen	May.11,2018 Jul.13,2018 Oct.30,2018	Asia Cement	The present and future of Taiwan's green economy: Wen**, Lih-Chyi**, Research Fellow, Director of The Center for Green Economy AI+ Industry 4.0 Asia cement Forum: Liang, Yun-Chia, Professor of Department of Industrial Engineering and Management, Yuan Ze University PR crisis management in the digital media era: Yi-Chen Wu, Professor of Graduate Institute of Mass Communication, College of Communication, Fu Jen Catholic University.	8
Chief Executive Vice President Vice President Vice President Vice President Manager Special Assistant	Y.F.Chang C.M.Chen W.K.Chou T.L.Yu Manfred Wang T.M.Chen	Jul.24,2018	Taiwan Academy of Banking and Finance	Board Operations Practice and Corporate Governance Workshop	3
Executive Vice President Vice President Special Assistant Manager Manager	Doris Wu W.K.Chou T.M.Chen Manfred Wang Z.Z. Zhong	Dec.24,2018	Taiwan Academy of Banking and Finance	Board Operations Practice and Corporate Governance Workshop	3

3.3.11 the Execution Status of Internal Control System

Asia Cement Corporation
Statement of Internal Control System

Date: March 21, 2019

Asia Cement Corporation(ACC) has conducted a self-inspection of internal control system during 2018. 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, 2018 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 21, 2019 with 15 directors in presence and none disagreement with the content of this statement.

Asia Cement Corporation

Chairman: Douglas Tong Hsu

President: K.Y. Lee

3.3.12 Major Resolutions of Shareholders' Meeting and Board Meetings

1. Major resolution of 2018 Regular Shareholders' Meeting

Date	Major resolutions
2018/06/26	1. Acceptance of 2017 financial statements and consolidated financial statements 2. Acceptance of the proposal for distribution of 2017 profits. 3. Amendment to "Articles of Incorporation of Asia Cement Corporation".
Execution Status	Major resolutions of the Shareholders' meeting have been fully implemented. 1. The record date for distribution of 2017 profits was Sep. 5, 2018. Cash dividends have been distributed on September 28, 2018. 2. Relevant amendments have been disclosed on our website.

2. Major Resolutions of the Board of Directors

Totally 6 meetings of the Board of Directors were held in the period from Jan. 1, 2018 to May 10, 2019. Directors have no opposition to major resolutions in this period.

Regarding the items listed in Article 14(3) of the Securities Exchange Act, all attended independent directors approved without disagreement.

Date	Major resolutions
2018/03/23	1. Acceptance of the 2017 employees' compensation and Directors' and Supervisors' remuneration. 2. Acceptance of 2017 financial statements and consolidated financial statements. 3. Acceptance of the proposal for distribution of 2017 profits. 4. Acceptance of 2018 business budget. 5. Acceptance of 2018 CPA service of Deloitte & Touche. 6. To convene 2018 regular shareholders' meeting. 7. Acceptance to issue 2017 Statement of Internal Control System. 8. To modify 2018 audit plan. 9. To issue non-guaranteed overseas convertible bond up to USD 500 million. 10. To issue Cross Currency Swap for USD 500 million. 11. Amendment to "Articles of Incorporation of Asia Cement Corporation".
2018/05/11	1. To approve 2017 Business Report.
2018/08/14	1. To decide the date for distribution of cash dividends and the closing date for stock transference. 2. To accept CPA service fee.
2018/11/09	1. To accept 2019 audit plan. 2. Amendment to the "internal control system". 3. To purchase liability insurance for directors, and supervisors, and important employees of the Company and its affiliates in the consolidated financial statements.
2019/03/21	1. Acceptance of the 2018 employees' compensation and Directors' and Supervisors' remuneration. 2. Acceptance of 2018 financial statements and consolidated financial statements. 3. Acceptance of the proposal for distribution of 2018 profits. 4. Acceptance of 2019 business budget. 5. Acceptance of 2019 CPA service fee of Deloitte & Touche. 6. To convene 2019 regular shareholders' meeting. 7. Acceptance to issue 2018 Statement of Internal Control System. 8. Amendment to the "internal control system". 9. Amendment to the "accounting system". 10. Tto issue medium and long-term unsecured commercial paper with total amount

	not exceeding NT$10 billion in order to repay the loan, enrich the medium and long-term working capital, and strengthen the financial structure. 11. To issue unsecured corporate bonds in once or in a batch with total amount not exceeding NT$10 billion in order to repay the loan, enrich the medium and long-term working capital, and strengthen the financial structure. 12. To issue a letter of support for the Company's subsidiary, Chiahui Power Corp., for 20-year-term NT$10.5 billion syndicated loan. 13. Amendment to "Articles of Incorporation of Asia Cement Corporation" 14. Amendment to "the Working Procedures for the Acquisition and Disposal of Assets". 15. Amendment to "the Procedure for Making Endorsements and Guarantees" 16. Amendment to "the Procedure for Loans of Funds to Others" 17. Amendment to "the Procedure for Employee Retirement.
2019/05/10	1. Acceptance of 2018 Business Report. 2. Amendment to "Corporate Governance Code", "Meeting Rules of the Board of Directors", "Organization Rules of the Audit Committee" and "Organization Rules for the Remuneration Committee". 3. To change the member of remuneration committee. 4. To set up Corporate Governance Officer.

3.3.13 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 and modified on August 10, 2017. 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$ thousands

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Audit period
			System design	Business Registration	Human Resource	Other (Note)	Subtotal	
Deloitte & Touche	L.W. Kuo Y. W. Fan	7,560	0	20	0	6,817	6,837	01/01/2018-12/31/2018

Note: Others including: (1) ECB issuance expenses 5,484 thousand, (2) Transfer Pricing related report 740 thousand, (3) Investment consultation 583 thousand, and (4) IFRS 16 CPA's assessed opinion 10 thousand.

2. 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.

3. If the audit fee dropped year on year by more than 15%, specifies the amount, percentage, reason of the reduction: None.

4. Change of CPA in recent two fiscal years and subsequent periods: 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 Li Wen Kuo and You Wei Fan to CPA Hsin Wei Tai and You Wei Fan since 2019Q1.

5. 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	Manager	CPA, Taiwan and China
Finance	Ya Ping Li	Manager	CPA, Taiwan
Finance	Yu De Liao	Specialist	Certified Internal Auditor Certified Information Systems Auditor
Finance	Wei Zhong Chen	Assistant Section Chief	Chartered Financial Analyst
Auditing	Chi Wen Lu	Assistant Specialist	Certified Internal Auditor Certification in Risk Management Assurance
Accounting	Jia Ning Hsu	Senior Clerk	CPA, Taiwan
Accounting	Guang Ren Peng	Assistant Administrator	CPA, United States
Accounting	Ying Bei Lin	Assistant Administrator	CPA, Taiwan

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

1. Changes in Shareholdings:

Title	Name	Shareholding on Dec. 31, 2018		Shareholding on Apr. 26, 2019	
		Changes of Shares	Changes of Shares Pledged	Changes of Shares	Changes of Shares Pledged
Chairman	Douglas Tong Hsu	－	－	－	－
Director	Far Eastern New Century Corporation[1]	－	－	－	－
	T.H. Chang	－	－	－	－
	Johnny Shih	－	－	－	－
	C.V. Chen	－	－	－	－
Director	Bai-Yang Investment Holdings Corporation	－	－	－	－
	Chin-Der Ou	－	－	－	－
Director	U-Ding Corporation	－	－	－	－
	K.Y. Lee	－	－	－	－
Director	Far Eastern Y.Z. Hsu Science And Technology Memorial Foundation	－	－	－	－
	Peter Hsu	－	－	－	－
	C.K. Chang	－	－	－	－
Director	Ta Chu Chemical Fiber Co.,Ltd	－	－	－	－
	Ruey Long Chen	－	－	－	－
Director	Huey Kang Investment Corporation	－	－	－	－
	Connie Hsu	－	－	－	－
Director	Far Eastern Medical Foundation Champion Lee	－	－	－	－
Director	U-Ming Corporation K.T. Li	－	－	－	－
Independent Director	Ta-Chou Huang	－	－	－	－
Independent Director	Chi Schive	－	－	－	－
Independent Director	Gordon S. Chen	－	－	－	－
President	K.Y. Lee	－	－	－	－
Chief Executive Vice President	Y.F. Chang	－	－	－	－
Executive Vice	Doris Wu	－	－	－	－

[1] The majority shareholder with holding more than 10% share of the Company.

Title	Name	Shareholding on Dec. 31, 2018		Shareholding on Apr. 26, 2019	
		Changes of Shares	Changes of Shares Pledged	Changes of Shares	Changes of Shares Pledged
President					
Vice President	C.M. Chen	－	－	－	－
Vice President	W.K. Chou	－	－	－	－
General Plant Manager	Z.P. Chang	－	－	－	－
Vice President	T.L. Yu	－	－	－	－
Deputy Chief Auditor	W.H. Yeh	－	－	－	－
Manager	Manfred Wang	－	－	－	－
Special Assistant	T.M. Chen	－	－	－	－
Accounting Manager	H.Y. Kao	－	－	－	－

2. Shareholders transfer information: Since the relative transfer of shareholders is non-related person, so there is no information on this information.
3. Shareholders pledge information: no shareholders pledged.

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%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund (the New Fund)	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Far Eastern Memory Foundation	Chairman is the Director of the Foundation
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Far Eastern Medical Foundation Representative: Douglas Tong Hsu	181,566,797	5.40%	0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund (the New Fund)	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	China Life Insurance 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
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Far Eastern Memory Foundation	Chairman is the Director of the Foundation
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Shin Kong Life Insurance Co., Ltd. Representative: Wu Tung Chin	71,377,591	2.12%	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%	Labor Pension Fund (the New Fund)	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Far Eastern Memory Foundation	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Labor Pension Fund (the New Fund)	59,612,595	1.77%	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%	Shin Kong 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%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	China Life Insurance 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
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Far Eastern Memory Foundation	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%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund (the New Fund)	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Far Eastern Memory Foundation	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Far Eastern Department Stores Co., Ltd. Representative: Douglas Tong Hsu	50,000,492	1.49%	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%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund (the New Fund)	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	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
			0	0%	0	0%	Far Eastern Memory Foundation	Chairman is the Director of the Foundation
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
China Life Insurance Co., Ltd. Representative: Alan Wang	48,150,000	1.43%	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%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund (the New Fund)	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	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%	Far Eastern Memory Foundation	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
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%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund (the New Fund)	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	China Life Insurance 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
			0	0%	0	0%	Far Eastern Memory Foundation	Chairman is the Director of the Foundation
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Far Eastern Memory Foundation Representative: Chu Shu-hsun	44,115,478	1.31	0	0%	0	0%	Far Eastern New Century Corporation	Director of the Foundation is the Chairman
			0	0%	0	0%	Far Eastern Medical Foundation	Director of the Foundation is the Chairman
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund (the New Fund)	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Director of the Foundation is the Chairman
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Director of the Foundation is the Chairman
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Yu Yuan Investment Co., Ltd Representative: C.M. Chen	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%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund (the New Fund)	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
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Far Eastern Memory Foundation	Non-related party

3.8 Shareholding Proportion of ACC to Investees

Shareholding Proportion of ACC to Investees

Dec. 31, 2018

Investees	Investments by ACC		Investments by Directors, Supervisors, Managers and Directly or Indirectly Controlled Businesses		Total Investments	
	Shares	%	Shares	%	Shares	%
Asia Investment Corp.	222,039,596	100.00%	-	0.00%	222,039,596	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%
Der Ching Investment Corp.	595,576,603	99.99%	25,326	0.00%	595,601,929	99.99%
Ya Tung Ready-Mixed Concrete Corp.	159,067,779	99.99%	6,909	0.00%	159,074,688	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	51.62%	438,629,422	87.12%
Ya Li Precast and Prestressed Concrete	16,241,083	83.81%	14,366	0.08%	16,255,449	83.89%
Asia Cement (China) Holdings Corp.	1,061,209,202	67.73%	71,643,298	4.57%	1,132,852,500	72.30%
Chiahui Power Corp.	280,093,521	59.59%	1,100,069	0.24%	281,193,590	59.83%
Ya Li Transportation Corp.	5,100,000	51.00%	60,817	0.61%	5,160,817	51.61%
Everstrong Iron & Steel Foundry Ltd.	3,199,823	40.40%	660,000	8.34%	3,859,823	48.74%
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%	20,513,219	2.43%	352,214,371	41.68%
Oriental Securities Corp.	135,092,154	18.93%	144,591,810	20.26%	279,683,964	39.19%
Far Eastern New Century Corp.	1,272,277,085	23.77%	553,246,442	10.34%	1,825,523,527	34.11%
Yue Yuan Investment Corp.	155,000,803	29.92%	515,024	0.10%	155,515,827	30.02%
China Shanshui Cement Group Ltd	331,878,315	7.62%	428,393,000	9.84%	760,271,315	17.46%

IV Capital Formation

4.1 Capital and Shares

4.1.1 Capital Increase in the Past Five Years

As of Apr. 30, 2019

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 Apr. 30, 2019

Structure / Amount	Governments	Financial Institutions	Other Institutional Investors	Domestic Individual Investors	Foreign Institutions & Individuals	Total
Number of Shareholders	11	62	314	73,212	740	74,339
Number of shares	108,299,977	328,459,425	1,588,026,592	510,103,865	826,557,339	3,361,447,198
Shareholding Percentage	3.22%	9.77%	47.24%	15.18%	24.59%	100.00%

Note: No foreign institutions and individuals from China Area.

4.1.5 Shareholding Distribution Status

As of Apr. 30, 2019

Class of Shareholding (Unit: Share)	Number of shareholders	Number of shares	Holding Percentage
1-999	34,247	8,225,181	0.24%
1,000-5,000	26,976	59,360,106	1.76%
5,001-10,000	5,555	40,645,853	1.21%
10,001-15,000	2,358	28,717,751	0.85%
15,001-20,000	1,119	19,772,533	0.59%
20,001-30,000	1,184	28,992,123	0.86%
30,001-40,000	605	21,077,897	0.63%
40,001-50,000	399	18,133,365	0.54%
50,001-100,000	762	53,666,154	1.60%
100,001-200,000	436	61,420,938	1.83%
200,001-400,000	253	69,762,915	2.08%
400,001-600,000	96	47,177,595	1.40%
600,001-800,000	61	42,071,599	1.25%
800,001-1,000,000	36	32,140,037	0.96%
Over 1,000,001	252	2,830,283,151	84.20%
Total	74,339	3,361,447,198	100%

Preferred Share

As of Apr. 30, 2019

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 Apr. 30, 2019

Shares / Major Shareholder	Number of Shares	Holding Percentage
Far Eastern New Century Corporation	750,511,324	22.33%
Far Eastern Medical Foundation	181,566,797	5.40%
Shin Kong Life Insurance Co., Ltd.	71,377,591	2.12%
Labor Pension Fund (the New Fund)	59,612,595	1.77%
Labor Pension Fund Committee of Far Eastern New Century Corporation	50,835,049	1.51%
Far Eastern Department Stores Co., Ltd.	50,000,492	1.49%
China Life Insurance Co., Ltd.	48,150,000	1.43%
Yuan-Ze University	47,499,567	1.41%
Far Eastern Memory Foundation	44,115,478	1.31%
Yu Yuan Investment Co., Ltd	43,268,479	1.29%
Total	1,346,937,372	40.06%

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

Unit: NT$

Item \ Year			2017	2018
Market Price Per Share	Highest		32.00	45.75
	Lowest		25.50	26.70
	Average		27.74	34.10
Net Value Per Share	Before Distribution		37.91	41.02
	After Distribution		36.71	(Note)
Earnings Per Share	Weighted Average shares (in thousand)		3,139,297	3,139,152
	Earnings Per Share		1.74	3.54
Dividends Per Share	Cash Dividends		1.20	2.8(Note)
	Stock Dividend	Dividends from Retained Earnings	-	-
		Dividends from Capital Surplus	-	-
	Accumulated Unpaid Dividends		-	-
Return on Investment	Price-Earnings Ratio		15.94	9.63
	Price-Dividend Ratio		23.12	12.18
	Cash Dividend Yield Rate		4.33%	8.21%

Note: To be resolved by the 2019 Shareholders' Meeting.

4.1.8 Dividend Policy & Implementation Status

1. Dividend Policy

Apart from paying all its income taxes in the case where there are net incomes at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, 10% of which shall be set aside by the Company as legal reserve and a special reserve as required by law shall be set aside. Subject to certain business conditions under which the Company may retain a portion of the remaining balance, the Company may distribute to the shareholders the remainder together with undistributed profits from previous years in proportion to the number of the shares held by each shareholder as shareholders' dividend. However in the case of increase in the Company's share capital, the shareholders' dividend to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting.

The distribution of shareholders' dividend 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. Shareholders' dividend shall be distributed aimed at maintaining the stability of shareholders' dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing shareholders' dividend, the dividend payout ratio each fiscal year shall be no less than fifty percent (50%) of the final surplus which is the sum of after-tax profit of the fiscal year to withhold previous loss, if any, legal reserve and special reserve as required by law; the cash dividend shall not be less than 10% of the shareholders' dividend distributed in the same year.

2. Implementation Status

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
2014	NT $2.2	100%	NT $0	0%	NT $2.2

2015	NT $1.1	100%	NT $0	0%	NT $1.1
2016	NT $0.9	100%	NT $0	0%	NT $0.9
2017	NT $1.2	100%	NT $0	0%	NT $1.2
2018 (Proposed)	NT $2.8	100%	NT $0	0%	NT $2.8

The net income after tax for FY2018 as NT$ 11,117,093,960. After the appropriation of Legal Reserve and Special Reserve, NT$ 9,487,103,948 is left. The Broad has proposed a cash dividend of NT$ 2.8 per share, which is summed up to NT$ 9,412,052,154 in total.

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

Unit: NT$

Item \ Year			2019 (Estimated)
Paid-In Capital (Beginning of The Year)			NT $33,614,471,980
Stock & Cash Dividend Distribution	Cash Dividend Per Share		NT$2.80
	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 Employees' Compensation and Directors' and Supervisors' Remuneration

1. The percentages or ranges with respect to employees' compensation and directors' remuneration as set forth in the Asia Cement Corporation's Articles of Incorporation: Pursuant to the Articles of Incorporation for distribution 2%~3.5% as employees' compensation and distribution less than 2.5% as directors' remuneration base on the profit of the current year.

2. (1)The basis for estimating the amount of employees' compensation and directors' remuneration: Distribution 2%~3.5% as employees' compensation and less than 2.5% as directors' remuneration 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 2019.
3. Information on resolved by the Board of Directors on March 20, 2018 for distribution of compensation:
   (1) The amount of any compensation distributed in cash or stocks: Employees' cash compensation is NT$ 253,436,520. Directors' cash remuneration is NT$ 223,657,728.
   (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' compensation and directors' and supervisors' remuneration 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 employees' compensation and directors' and supervisors' remuneration shall be disclosed the discrepancy, its cause, and the status of treatment:

   The Board of Directors resolved on March 23, 2018 to distribute employees' compensation NT$ 147,850,000 and directors' and supervisors' remuneration NT$ 130,120,000 which were recognized by the Shareholders' Meeting. The employees' compensation and directors' and supervisors' remuneration was fully distributed and no discrepancy with 2017 separate financial report。

◎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

Item \ Type of Bond Issued		1st Unsecured Corporate Bond Issued in 2014	1st Unsecured Corporate Bond Issued in 2016
Date Issued		May. 23, 2014	Sep. 27, 2016
Par Value		NT$1,000,000	NT$1,000,000
Issue and Trade Place		N/A	N/A
Issue Price		Par Value	Par Value
Nominal Amount		NT$8,000,000,000	NT$6,000,000,000
Interest Rate		1.36%	0.80%
Term		Five Years. Maturity: May. 23, 2019	Five Years. Maturity: Sep. 27, 2021
Guaranty/Guarantor		None	None
Trustee		China Trust Commercial Bank, Trust Department	China Trust Commercial Bank, Trust Department
Underwriter		None	KGI Securities Co. LTD.
Certified Lawyer		M.T.HUANG	M.T.HUANG
Certified Public Accountant		H.W. Tai, L.W. Kuo	L.W. Kuo, Y.W. Fan
Repayment Method		Interest Paid Annually Since Issue, 50% Principal Installed Seperately After The 4、5th Anniversary of The Issue Date	Interest Paid Annually Since Issue, 50% Principal Installed Seperately After The 4、5th Anniversary of The Issue Date
Outstanding Balance		NT$8,000,000,000	NT$6,000,000,000
Redemption Clauses		None	None
Restrictive Covenants		None	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	Taiwan Ratings Corporation Long term Credit Ratings: twA Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Nov.17, 2015
Convertible	Amount Converted	None	None
	Issue/ Conversion Rules	None	None
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		None	None
Custodian		None	None

Item \ Type of Bond Issued		1st Unsecured Corporate Bond Issued in 2019
Date Issued		May. 8, 2019
Par Value		NT$1,000,000
Issue and Trade Place		N/A
Issue Price		Par Value
Nominal Amount		NT$6,500,000,000
Interest Rate		0.88%
Term		Five Years. Maturity: May. 8, 2024
Guaranty/Guarantor		None
Trustee		China Trust Commercial Bank, Trust Department
Underwriter		Masterlink Securities Corporation
Certified Lawyer		M.T.HUANG
Certified Public Accountant		L.W. Kuo, Y.W. Fan
Repayment Method		Repayment In Lump Sum Upon Maturity
Outstanding Balance		NT$6,500,000,000
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: Sep.19, 2018
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

Item \ Type Of Bond Issued		2nd Overseas Unsecured Convertible Bonds	3rd Overseas Unsecured Convertible Bonds
Date Issued		May. 13, 2013	Sep. 21, 2018
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$220,000,000	US$215,000,000
Interest Rate		0%	0%
Term		Five Years Maturity: May. 13, 2018	Five Years Maturity: Sep. 21, 2023
Guaranty/Guarantor		None	None
Trustee		BNY Mellon	BNY Mellon
Underwriter		Goldman Sachs International	UBS AG Hong Kong Branch
Certified Lawyer		Y.H. Wang	Y.H. Wang
Certified Public Accountant		H.W. Tai, L.W. Kuo	L.W. Kuo, Y.W. Fan
Repayment Method		Unless previously redeemed, repurchased and cancelled or converted, 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 0.6% per annum on the maturity date.
Outstanding Balance		Dec. 31, 2017: US$3,000,000 May. 13, 2018: US$0	US$215,000,000
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.	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 amount, which is the price of Early Redemption Price multiplied 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 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 the 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 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.	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 next day immediately after the end of a three-month period following the Issue Date to 30th day prior to the Maturity Date. The aforementioned closed periods shall mean: A. The period during which under the laws of the ROC 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 divided or rights issues, 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. C. 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. D. Other closed period as required by ROC laws and regulations or by the TSE. E. 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 2nd 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.	The 3rd 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

4.2.2 Issued Exchangeable Bonds and Convertible Bonds

Type of Bonds Issued		2nd Overseas Unsecured Convertible Bonds						
Item \ Year		Launch Date	2013	2014	2015	2016 Note1	2017	Jan. 1, 2018 to May. 13, 2018 Note3
Market Price of Convertible Bonds(US$)	Highest	100	105.71	108.12	104.68	101.10	100.16	99.83
	Lowest	100	98.10	101.27	98.08	98.61	98.73	99.28
	Average	100	101.52	103.83	100.50	99.70	99.49	99.60
Conversion Price/Share		48	44.7	42	39.28	37.85	36.6 Note2	36.6
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, 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 13 May 2016. As of the date of redemption, the total redemption amount is US$217,000,000, and the outstanding balance is US$3,000,000.

Note2: Pursuant to the Indenture, the conversion price of the bonds had been adjusted to NT$36.6/Share since September 6, 2017 as ACC distributed cash dividends and stock dividends.

Note3: After final redemption on May. 13, 2018, there is no outstanding balance.

Type of Bonds Issued		3rd Overseas Unsecured Convertible Bonds		
Item \ Year		Launch Date	2018	From the current year to March. 31, 2019
Market Price of Convertible Bonds(US$)	Highest	100	107.07	106.66
	Lowest	100	99.23	101.38
	Average	100	102.37	104.02
Conversion Price/Share		42.24	42.24	42.24
Issuing (handling) date and conversion price in issuing		Issued on September. 21, 2018 NT$42.24/share		
Method of performing conversion obligations		Issuance of new shares		

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			
Depositary Bank			BNY Mellon			
Custodian			Far Eastern International Bank			
Outstanding			17,072 (As of March 31, 2019)			
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$)	2018	Highest	11.9			
		Lowest	11.9			
		Average	11.9			
	As of March 31, 2019	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: 96%.
   B. Granulated blast-furnace slag: 4%.
3. New Product Research & Development: None.

5.1.2 Industry Overview

1. Market situation and future outlook

   A. The 2018 total cement production volume in Taiwan was 10,938,847 MT, increased 0.57% compared to 2017. Among them, the domestic cement sales was 8,574,458 MT, and exported cement was 2,378,790 MT. Compared with those in 2017, domestic sales increased by 3.3%, exports decreased by 6.85%. In 2018, the domestic real estate market was stable. Compared with 2017, the price of the real estate market showed a trend of falling prices and increased trading volume. The cement consumption decreased to 10,653,984 MT, increased by 4.72%. The 2018 per capita average cement consumption is about 435 kg, increased 0.69% from 432 kg in 2017. As a result, the cement market in Taiwan is still showing oversupply.

   B. For the year 2019:

      (1) Outlook of the domestic market:

      Taiwanese Public Works budget totaled NT$ 167.9 billion in 2018, increased NT$ 43.3 billion, 13.1%. According to a survey of the Taiwan Institute of Economic Research, because of continued expansion of private investment, the government to expand public investment and the Forward-looking Infrastructure Development Program, the overall economy is expected to grow 1.75% compared to 2017. In terms of real estate in 2017, 260,000 buildings sold in the housing market, increased by 8% compared with 240,000 buildings in 2016. However, there is a large price gap for real estate between buyers and sellers. Moreover, the housing market needs time to adjust. Cement demand is expected to increase slightly this year.

      According to the prediction of the Taiwan Institute of Economic Research, Taiwan’s economy and investment have rebounded in 2019, however, the US-China trade war has continued to escalate. The major international forecasting agencies believe that global trade growth in 2019 will be worse than that in 2018. In addition, due to the faster-than-expected monetary tightening policy of major central banks, the strengthening of the US dollar and the increase in borrowing costs have caused some emerging market countries to be affected due to funds escaping, and increase financial market volatility, which is not conducive to Taiwan’s consumption performance.

According to the forecast published by the Taiwan Institute of Economic Research in April 2019, the GDP growth rate in 2019 was 2.12%, which was 0.45 percentage points lower than the 2.57% in 2018.

In terms of real estate, the number of houses transaction in the housing market in 2018 was 280,000, an increase of 4% compared with 270,000 in 2017. However, the price gap between buyers and sellers is still large, and the housing market is not reversing. The follow-up signal still needs to be observed. Overall, the number of civil construction sites is estimated to decrease in 2019, and the number of public works is increasing. The total cement demand in Taiwan will increase slightly compared with last year.

(2) Outlook of the global markets:

For 2018, the Chinese market will continue to strictly implement environmental protection policies, keep conducting mergers & acquisitions, eliminating backward production capacity. Chinese cement industry will maintain in high prices and the demand exceeds supply.

In the international cement market, China began to increase its import and supply of clinker in 2018, resulting in a re-adjustment of regional supply and demand. China accounted for a large proportion of Vietnam's exports, which led to regional price increases. It is expected that China's imports will continue to affect regional supply and demand in 2019. At the same time, due to the 2020 Olympic Games in Japan, domestic demand is optimistic. South Korea has not increased its exports because of the domestic carbon tax and increased production costs.

In addition, in line with the Taiwan Government's cement export policy, the future export volume will not exceed the policy ceiling. Only a small number of long-term supply markets will be supplied. In order to maintain the profitability of the Company, We will actively utilize the trade model to purchase cement, clinker, gypsum, and silica sand to meet the demand in Southeast Asian markets. The export strategy will be adjusted to reduce Taiwan's exports and expand the raw materials trade business.

Overall, the domestic market will rise slightly, while foreign markets have growth potential

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, 2019
Unit: NT$1,000

Item	Amount
Industrial 4.0 project - Intelligent shipment - Analysis and forecasting to kiln refractory - Intelligent quality control	5,000
Industrial 4.0 Project Phase 2: - Cloud War Room - Product Line Machine Predictive Maintenance - Intelligent Mining	4,000
Industrial 4.0 Project Phase 3: - Intelligent Occupational Safety - Intelligent Control Optimization - Big Data Analyze for Production, Quality and Cost	9,000
Big Data Analysis - Predictive Analysis Project	1,000
No.2 cement mill rolling machine hydraulic system update	3,100
No.1 cement mill rolling machine hydraulic system update	2,900
No.3 cement mill rolling machine hydraulic system update	3,100
No.4 cement mill PLC system update	4,200
Fully automatic start-up and AI control system for cement grinding system	600
Hualien Plant No. 2 and No. 3 rotary kiln alternative fuel using system project	82,650
Masonry cement production and quality management improvement	120
Powder mixing technology for laboratory	800
Handling slope with cable saw technology	900
LIDAR and ground light monitoring work in Xinchengshan Quarry	2,152
Quarry blasting vibration monitoring work	636

Analysis of the water system in the Quarry	3,045
Total	123,203

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 2018, the Company domestic sales was 2,546,181 MT, i.e. 29.67% of the sales amount of all domestic cement producers, which was equal to 23.90% of total cement consumption in Taiwan.
3. Market supply forecast, growth opportunity, and business competitiveness:
   A. In 2019, Taiwan is affected by the US-China trade war. According to the prediction of the Taiwan Economic Research Institute, the GDP growth rate of 2.12% will be reduced by 0.45% compared with last year. In addition, the National Development Council of the Executive Yuan issued a report indicating that the current domestic economic situation has slowed down and must be closely watched. Meanwhile, the trading volume of the housing market in 2018 has not yet reversed significantly. The cement market is still in an oversupply situation. The domestic demand in 2019 is estimated to be about 11 million MT. It is slightly growing compared with 2018. The energy, raw materials, labor costs and sea freight prices are also increased. And the amount of imported cement is an important factor

affecting the selling price.

B. For the export sales, the Company is expected to export 1.1~1.2 million MT of cement and clinker in 2019, which is equivalent to 2018. The Company has long term major customers in Singapore, Malaysia, Hawaii, 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

A. Promoting industrial innovation, forward-looking infrastructure construction, improving the quality of public construction, and regional balanced development are the key points of the current government policy

B. The budget (including special budget) for 2019 Public Works Projects increase 7.7% to NT $392.7 billion. Taiwan's cement industry believes that the implementations of several infrastructure projects will drive private investment. In addition, in order to improve residential safety, the government will vigorously promote urban renewal, which will revive the domestic demand market.

C. The forward-looking infrastructure project will expand public spending.

D. In 2018, the floor area of the application for the issuance of the building license increased by 14% compared with 2017, indicating that the private investment continued to expand. Moreover, the number and amount of overseas Taiwanese businesses to return to invest in Taiwan continued to increase. Taiwan government also accelerated house reconstruction, urban renewal, and implemented the public construction. All these help to increase domestic construction investment.

E. The Ministry of Finance announced in February 2017 to continue to levy cement and clinker from China at the original approved tax rate of 91.58% anti-dumping duties for five years. This will help stability of the domestic industry.

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 26% in 2019. The over-supply condition will be worse.

C. Mining Industry Law is currently in the occasion of amending, the industry will face more stringent operating requirements and limitations.

D. Limestone tax is raised from NT$ 10 to NT$ 70 per metric ton. As well as the recent rise in coal prices will bring to the cement industry to more difficult condition.

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

	2017				2018			
Item	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	BB Co., Australia	853,546	37.23	Raw material supplier	BB Co., Australia	1,579,103	46.29	Raw material supplier
2	Chung Ling Co.	317,095	13.83	Raw material supplier	Chung Ling Co.	468,335	13.73	Raw material supplier
3	Fu Shan Mineral Stone	109,987	4.80	Raw material supplier	AA Co., Australia	229,872	6.74	Raw material supplier
4	Yuantai Corp.	72,000	3.14	Construction supplier	KENWAY	74,989	2.20	Equipment supplier
	Others	940,063	41.00		Others	1,058,698	31.04	
	Net Total Supplies	2,292,691	100.00		Net Total Supplies	3,410,997	100.00	

Note: Variations are because of market mechanisms.

5.2.5 Major Clients Information for the Last Two Years

Unit: NT$1,000

	2017				2018			
Item	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	Ya Tung Ready-Mixed Concrete Co.	1,361,340	17.42	Subsidiary	Ya Tung Ready-Mixed Concrete Co.	1,582,083	18.95	Subsidiary
	Others	6,454,365	82.58		Others	6,766,506	81.05	
	Net Sales	7,815,705	100.00		Net Sales	8,348,589	100.00	

Note: Variations are because of market mechanisms.

5.2.6 Output of Main Products 2017-2018

1. ACC (Taiwan)

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

Year / Output / Product	2017			2018		
	Capacity	Production Volume	Production Value	Capacity	Production Volume	Production Value
Cement & Clinker	5,597	3,575	6,739,549	5,597	3,555	7,256,280

2. ACC (China)

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

Year / Output / Product	2017			2018		
	Capacity	Production Volume	Production Value	Capacity	Production Volume	Production Value
Cement & Clinker	35,500	29,863	24,996,017	35,500	30,528	27,702,318

5.2.7 Sales of Main Products 2017-2018

1. ACC (Taiwan)

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

Year / Sales / Product	2017				2018			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cement & Clinker*	2,491	5,548,571	1,108	1,702,846	2,584	5,754,142	928	1,481,856

* Cement & Clinker produced by the Company.

2. ACC (China)

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

Year / Sales / Product	2017				2018			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cement & Clinker*	30,028	33,264,756	151	162,895	30,676	46,803,136	219	242,168

* Cement & Clinker produced by the Company.

5.3Human Resources

Year		2017	2018	As of Mar. 31, 2019
Number of Employees	Headquarter	154	149	147
	Hsinchu Plant	100	30	29
	Hualien Plant	305	305	303
	Total	559	484	479
Average Age		47.92	46.37	46.11
Average Years of Service		21.48	18.06	17.82
Education	Ph.D.	0	0	0
	Masters	12.68%	15.70%	15.66%
	Bachelor's Degree	43.39%	46.69%	46.76%
	Senior High School	38.75%	33.27%	32.99%
	Below Senior High School	5.18%	4.34%	4.59%

5.4 Expenditures on Environmental Protection

Unit: NT$ 1,000

Items		Amount
1	Green vegetation and maintenance for quarry	20,150
2	Expenditure for environmental fees	113,360
3	Other	61,100
Total		194,610

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: NT$ 331,500.

(2) Reasons:

a. The change of air pollution control personnel has not completed the declaration within 15 days as required.

b. The coal conveyor belt was on fire causing air pollution.

c. Quarry water pollution permit content is inconsistent with the site.

(3) Countermeasures:

a. The air pollution control personnel have been reported to relevant agency.

b. Immediately change the belt and implement several improvement measures

c. Complete the quarry water pollution permit change.

◎ 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.

   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 has set up dustproof net outside of the belt conveyor and continued to build 180-meters-long fully-closed belt conveyor in 2016.

4. 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 $950 million.
3. The good maintenance of above equipment ensures dust collection efficiency which is within the legal limit. Consequently, the quality of air around the plants is higher than national standard. As a result, the Environmental Protection Administration (EPA) especially recognized the two plants as environmental protection demonstration plants.
4. In particular, the amount of dust including chimney emissions measured by environmental protection agencies at the Hualien plant was less than 25 milligrams/m^3, which was far better than national standard. The plant was awarded by the Chinese National Federation of Industries for its excellent performance of preventing industrial pollution. In addition, the Hualien plant was listed by the EPA as one of the top 10 factories in pollution prevention and has received the Enterprise Environmental Protection Award for three years in a row.
5. In 2018, the environment expenditure of the Hualien plant, such as purchasing and maintenance of precipitators, training courses, greening and beautification was NT$ 194,610,000.

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 2018, the green restoring area is 63.3 acres which is 74.21% of the quarry, while exploiting operation area is 22.0 acres. 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. The green restoring area will increase 0.85 acres every year.

   In 2018, the Hualien plant devoted NT$ 9,616,000 to the greening and beautification of the quarry.
3. 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.
4. In 2007, the Hualien Plant was awarded for the excellent performance in the project of "promoting green communities" by the Environmental Protection Administration.
5. In 2018, the Hualian plant's Quarry's Green Sustainable Action Plan was awarded the "Asia Responsible Enterprise Awards" by the Enterprise Asia.

   In 2019, the Hualian plant's "Deeply Rooting the Seeds of Sustainable Hope – Asia Cement environment education Project" was awarded the "Asia Responsible Enterprise Awards" by the Enterprise Asia.

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 alone 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. We will also conduct a new personnel care questionnaire to understand the workplace adaptability of new employees and provide necessary assistance based on their feedback. In addition, various types of psychological education and care and propaganda will be posted on the company's electronic bulletin board to promote employees' mental health knowledge.
3. Each year, the Human Resources Department conducts curriculums based on the functional needs of different departments and levels, combines the company's development strategies, and provides opportunities for supervisors and employees to fully study and train. It not only achieves the goal of training, but also links with the development of employees' careers. The training courses include: new personnel training, core competency training, professional/functional training, leadership training, and so on. In 2018, the special training project “Introduction and Challenges of Sustainable Cement Initiative” was completed, in which training classes, managers thought and discussed about the important mission and strategic path of Asian Cement as a member of international cement community.

   At the same time, the various departments of the company can also recommend their colleagues to participate in vocational training courses introduced by related companies, government agencies and social organizations, to improve their professional functions, and to link with social pulsations.

In 2018, the high-potential leadership training program was continuously implemented, covering all middle and high-level supervisors of all subsidiaries of the Asia Cement, with a total of 12 hours of training courses. Since 2014, after intensive 225-hour course training, 30 high-level conference internships, and 30 seminars, more than half of the training talents have been promoted. The program also has a training mechanism to enable these potential successors to continue learning to make sure under the increasingly severe environmental challenges of the company, more backbone talents can lead the organization to continue to develop.

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 2018, totally 594 training courses were held for ACC employees, roughly 11,880 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, Prudence and innovation” 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.

In February 2009, the Hualien plant has passed TOSHMS (Taiwan Occupational Safety and Health Management System). The "CNS15506: 2011 Taiwan Occupational Safety and Health Management System" and "OHSAS18001: 2007 Occupational Safety and Health Management System" currently implemented by Hualien Plant were evaluated and approved by the Foundation for Research and Development of Metal Industry Research and Development Center on June 28, 2016. Its effective period is to June 27, 2019. The Hsinchu Plant also follows the model of Hualien plant for establishing a faultless occupational safety and health management System.

A major occupational disaster occurred in the Company's Hualien Manufacturing Plant in 2017. It was caused by the failure of laborers to comply with SOP operations and non-compliance with hazard warnings. Under conditions without approval and without protective gear, the laborers rushed into the material cabinet and suffocated and died as buried in fallen gypsum material. The Company held a review meeting on July 19, 2017 for effectively improving the management of occupational safety and health, and proposed a strategy for improving the related management and safety to effectively reduce the agglomeration of materials and the frequency of clearing operations. Also, the risk assessment will be re-adopted. The Company will amend the SOP, implement training, and introduce new types of equipment to increase the labor safety.

Due to the major occupational disaster, the Company was designated as the Enhance Enforcement Program (EEP) target by the Occupational Safety and Health Department of the Ministry of Labor to strengthen inspections. The Company will strengthen risk assessment, divide the responsible areas to implement active inspections and autonomous management proposals, and reduce irregularities in workplaces to ensure work safety and health. In March 7, 2019, the Occupational Safety and Health Department of the Ministry of Labor agreed to remove the Company from the special list of Enhance Enforcement Program (EEP) target. The company has learned lessons and will continue to improve to build a corporate safety culture toward zero disasters target.

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.

   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
Bank long-term loan/guarantee	CTBC Bank Co., Ltd.	2017/03~2020/05	Irrevocable commitment facility	None
Bank long-term loan/guarantee	Mizuho Corporate Bank, Taipei Branch	2019/03~2021/03	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	First Commercial Bank. Tung-Hwa Branch	2019/02~2021/02	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Taiwan Cooperative Bank Ta-An Branch	2019/03~2021/03	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Hwa Nan Commercial Bank. Tung-Hwa Branch	2018/12~2020/12	Interest paid monthly, principal repaid at maturity	None
Bank long-term secured loan	Far Eastern International Bank Business Dept.	2019/02~2022/02	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Bank of Taiwan Wu-Chang Branch	2018/05~2020/05	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	E.Sun Commercial Bank	2018/10~2020/10	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Yuanta Commercial Bank	2018/12~2020/12	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Chang Hwa Bank Tung-Hwa Branch	2018/08~2020/08	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Mega International Commercial Bank Foreign Dept.	2018/06~2020/06	Interest paid monthly, principal repaid at maturity	None
Bank long-term secured loan	Mega International Commercial Bank Foreign Dept.	2018/06~2020/06	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Land Bank of Taiwan Co., Ltd. Tung-Hwa Branch	2018/09~2020/09	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	KGI Bank	2018/09~2020/09	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Bank of China Taipei Branch	2018/07~2020/07	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	BNP PARIBAS Taipei Branch	2019/01~2021/01	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	DBS Bank (Taiwan) Ltd	2018/10~2020/10	Interest paid monthly, principal repaid at maturity	None
Long term raw material supply	BB Co.,	2018/02~2019/05	Contract of Coal Purchase	None
Long term raw material supply	Chung Ling Co.	2018/03~2018/12	Contract of Clay Purchase	None
Long term raw material supply	AA Co.,	2017/09~2019/12	Contract of Coal Purchase	None
Long term construction service provider	Yuantai Corp.	2017/09~2019/02	Contract of construction service	None
Long term raw material supply	CC Co.,	2018/06~2019/12	Contract of equipment Purchase	None

VI Financial Information

6.1Financial Reports & Audit Results (2014~2018)

6.1.1 Consolidated Balance Sheets

UNIT: NT$1,000

Item \ Year		Five-Year Financial Summary				
		2014	2015	2016	2017	2018
Current Assets		70,558,875	52,844,285	42,148,568	50,262,702	80,358,506
Property, Plant and Equipment		70,586,382	67,264,573	58,832,486	53,738,838	52,549,341
Intangible Assets		5,485,677	5,304,367	4,866,642	4,552,561	3,694,783
Other Assets		136,188,121	144,663,984	132,623,089	138,510,247	142,585,368
Total Assets		282,819,055	270,077,209	238,470,785	247,064,348	279,187,998
Current Liabilities	Before Apportioned	64,989,203	65,223,927	40,857,530	53,948,167	62,804,294
	After Apportioned	72,384,387	68,921,519	43,882,832	57,981,903	-
Non-current Liabilities		56,102,626	49,999,090	56,950,034	47,319,817	57,335,358
Total Liabilities	Before Apportioned	121,091,829	115,223,017	97,807,564	101,267,984	120,139,652
	After Apportioned	128,487,013	118,920,609	100,832,866	105,301,720	-
Equity Attributable To Owners Of The Corporation		141,833,564	135,898,873	122,663,077	127,435,565	137,892,226
Share Capital		33,614,472	33,614,472	33,614,472	33,614,472	33,614,472
Capital Surplus		1,073,920	1,155,643	1,167,881	1,168,692	1,362,554
Retained Earnings	Before Apportioned	94,863,921	91,552,336	91,599,413	94,196,274	99,918,986
	After Apportioned	87,468,737	87,854,744	88,574,111	90,162,538	-
Other Equity		12,281,251	9,576,422	(3,718,689)	(1,543,873)	2,996,214
Non-Controlling Interests		19,893,662	18,955,319	18,000,144	18,360,799	21,156,120
Total Equity	Before Apportioned	161,727,226	154,854,192	140,663,221	145,796,364	159,048,346
	After Apportioned	154,332,042	151,156,600	137,637,919	141,762,628	-

6.1.2 Consolidated Statements of Comprehensive Income

UNIT: NT$1,000

Year / Item	Five-Year Financial Summary				
	2014	2015	2016	2017	2018
Operating Revenue	77,683,281	66,287,480	60,946,190	64,899,248	82,741,004
Realized Gross Profit	11,129,604	7,058,747	8,588,274	10,170,478	21,171,461
Profit From Operations	8,248,404	4,039,945	6,233,048	7,436,716	18,153,110
Non-operating Income And Expenses	5,471,335	2,774,213	243,541	1,062,443	2,217,008
Income Before Income Tax	13,719,739	6,814,158	6,476,589	8,499,159	20,370,118
Net Profit For The Period	10,905,998	4,934,483	4,683,297	6,665,541	14,889,197
Other Comprehensive Income , Net	4,827,293	(3,860,529)	(14,688,396)	2,119,539	1,436,173
Total Comprehensive Income For The Period	15,733,291	1,073,954	(10,005,099)	8,785,080	16,325,370
Net Profit Attributable To Owner Of The Company	9,361,635	4,860,241	3,945,769	5,469,007	11,117,094
Net Profit Attributable To Non-Controlling Interests	1,544,363	74,242	737,528	1,196,534	3,772,103
Total Comprehensive Income Attributable To Owner Of The Company	13,273,390	1,343,662	(9,550,011)	7,895,746	12,881,353
Total Comprehensive Income Attributable To Non-Controlling Interests	2,459,901	(269,708)	(455,088)	889,334	3,514,017
Earnings Per Share	2.98	1.55	1.26	1.74	3.54
Earnings Per Share **(Note1)**	2.98	1.55	1.26	1.74	3.54

Note 1: Based on weighted average outstanding shares in 2018 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

Item \ Year		Five-Year Financial Summary				
		2014	2015	2016	2017	2018
Current Assets		14,346,035	14,560,998	8,560,664	8,969,876	10,164,679
Property, Plant and Equipment		4,850,893	5,220,819	5,142,099	4,665,393	4,374,050
Intangible Assets		9,808	8,639	10,287	8,948	8,344
Other Assets		168,832,659	169,888,349	157,629,856	166,201,481	178,284,025
Total Assets		188,039,395	189,678,805	171,342,906	179,845,698	192,831,098
Current Liabilities	Before Apportioned	13,024,234	23,780,564	8,016,448	15,051,567	17,648,284
	After Apportioned	20,419,418	27,478,156	11,041,750	19,085,303	-
Non-current Liabilities		33,181,597	29,999,368	40,663,381	37,358,566	37,290,588
Total Liabilities	Before Apportioned	46,205,831	53,779,932	48,679,829	52,410,133	54,938,872
	After Apportioned	53,601,015	57,477,524	51,705,131	56,443,869	-
Share Capital		33,614,472	33,614,472	33,614,472	33,614,472	33,614,472
Capital Surplus		1,073,920	1,155,643	1,167,881	1,168,692	1,362,554
Retained Earnings	Before Apportioned	94,863,921	91,552,336	91,599,413	94,196,274	99,918,986
	After Apportioned	87,468,737	87,854,744	88,574,111	90,162,538	-
Other Equity		12,281,251	9,576,422	(3,718,689)	(1,543,873)	2,996,214
Total Equity	Before Apportioned	141,833,564	135,898,873	122,663,077	127,435,565	137,892,226
	After Apportioned	134,438,380	132,201,281	119,637,775	123,401,829	-

6.1.4 Separate Statements of Comprehensive Income

UNIT: NT$1,000

Item \ Year	Five-Year Financial Summary				
	2014	2015	2016	2017	2018
Operating Revenue	12,394,201	12,012,770	9,917,334	8,186,867	8,732,236
Realized Gross Profit	1,381,751	1,547,808	1,288,995	670,927	256,534
Profit From Operations	737,270	977,733	758,915	148,282	(393,973)
Non-operating Income And Expenses	9,972,764	5,330,300	3,792,066	5,253,097	12,588,705
Income Before Income Tax	10,710,034	6,308,033	4,550,981	5,401,379	12,194,732
Net Profit For The Year	9,361,635	4,860,241	3,945,769	5,469,007	11,117,094
Other Comprehensive Income , Net	3,911,755	(3,516,579)	(13,495,780)	2,426,739	1,694,259
Total Comprehensive Income For The Year	13,273,390	1,343,662	(9,550,011)	7,895,746	12,811,353
Earnings Per Share	2.98	1.55	1.26	1.74	3.54
Earnings Per Share **(Note1)**	2.98	1.55	1.26	1.74	3.54

Note1 :Based on weighted average outstanding shares in 2018 after subtracting the shares of the Corporation held by the associates treated as treasury stock

6.1.5Auditors' Opinions from 2014 to 2018

Year	CPA's Name	Audit Opinion
2014	Li Wen Kuo、You Wei Fan	Modified Unqualified Opinion
2015	Li Wen Kuo、You Wei Fan	Unqualified Opinion
2016	Li Wen Kuo、You Wei Fan	Unqualified Opinion
2017	Li Wen Kuo、You Wei Fan	Unqualified Opinion
2018	Li Wen Kuo、You Wei Fan	Unqualified Opinion with Emphasis of Matter Paragraphs and Other Matter Paragraphs

6.2 Financial Analysis

6.2.1 Consolidated Financial Statements

Item \ Year		Financial Analysis (2014~2018)				
		2014	2015	2016	2017	2018
Capital Structure Analysis	Debts Ratio (%)	42.82	42.66	41.01	40.99	43.03
	Long-term Fund to Property, Plant and Equipment (%)	308.60	304.55	335.89	359.36	411.77
Liquidity Analysis	Current Ratio (%)	108.57	81.02	103.16	93.17	127.95
	Quick Ratio (%)	94.08	69.80	86.22	80.98	112.34
	Times Interest Earned (Times)	9.23	5.14	4.95	5.80	13.17
Operating Performance Analysis	Average Collection Turnover (Times)	4.13	3.55	3.85	3.96	3.99
	Days Sales Outstanding	88	103	95	92	91
	Average Inventory Turnover (Times)	7.70	7.08	7.35	8.11	7.52
	Average Payment Turnover (Times)	7.36	6.42	6.64	7.30	7.73
	Average Inventory Turnover Days	47	52	50	45	49
	Property, Plant and Equipment Turnover (Times)	1.17	0.96	0.97	1.15	1.56
	Total Assets Turnover (Times)	0.28	0.24	0.24	0.27	0.31
Profitability Analysis	Return on Total Assets (%)	4.51	2.28	2.38	3.35	6.17
	Return on Shareholders' Equity (%)	6.93	3.12	3.17	4.65	9.77
	Pre-tax Income to Paid-in Capital Ratio (%)	40.81	20.27	19.27	25.28	60.60
	Net Margin (%)	14.04	7.44	7.68	10.27	17.99
	Basic Earnings Per Share (NT$) (Based on outstanding shares in 2018)	2.98	1.55	1.26	1.74	3.54
Cash Flow	Cash Flow Ratio (%)	16.38	20.95	31.37	15.09	14.75
	Cash Flow Adequacy Ratio (%)	89.91	112.25	126.91	133.25	127.58
	Cash Flow Reinvestment Ratio (%)	2.14	2.97	4.43	2.49	2.24
Leverage	Operating Leverage	1.72	2.42	1.87	1.70	1.27
	Financial Leverage	1.25	1.69	1.36	1.31	1.10

Analysis of deviation of 2018 vs. 2017 over 20%:
The increase in Current Ratio and Quick Ratio were mainly due to the increase of current asset in 2018.
The increase in Property, Plant and Equipment Turnover was mainly due to the increase of net sales in 2018.
The increase in Times Interest Earned,Return on Total Assets, Return on Shareholders' Equity, Pre-tax Income to Paid-in Capital Ratio, Net Margin and Basic Earnings Per Share were mainly due to the increase of net income in 2018.
The decrease in Operating Leverage was mainly due to the increase of operating income in 2018.

6.2.2 Separate Financial Statements

Item	Year	Financial Analysis (2014~2018)				
		2014	2015	2016	2017	2018
Capital Structure Analysis	Debts Ratio (%)	24.57	28.35	28.41	29.14	28.49
	Long-term Fund to Property, Plant and Equipment (%)	3,607.90	3,177.63	3,176.26	3,532.27	4,005.05
Liquidity Analysis	Current Ratio (%)	110.15	61.23	106.79	59.59	57.60
	Quick Ratio (%)	98.10	54.65	90.84	50.93	48.17
	Times Interest Earned (Times)	21.16	13.12	13.34	17.29	37.73
Operating Performance Analysis	Average Collection Turnover (Times)	10.42	11.34	11.10	9.37	8.92
	Days Sales Outstanding	35	32	33	39	41
	Average Inventory Turnover (Times)	6.33	6.68	6.07	5.83	5.72
	Average Payment Turnover (Times)	6.12	5.97	5.30	4.92	5.44
	Average Inventory Turnover Days	58	55	60	63	64
	Property, Plant and Equipment Turnover (Times)	2.49	2.39	1.91	1.67	1.93
	Total Assets Turnover (Times)	0.07	0.06	0.05	0.05	0.05
Profitability Analysis	Return on Total Assets (%)	5.26	2.80	2.36	3.27	6.11
	Return on Shareholders' Equity (%)	6.78	3.50	3.05	4.37	8.38
	Pre-tax Income to Paid-in Capital Ratio (%)	31.86	18.77	13.54	16.07	36.28
	Net Margin (%)	75.53	40.46	39.79	66.8	127.31
	Basic Earnings Per Share (NT$) (Based on outstanding shares in 2018)	2.98	1.55	1.26	1.74	3.54
Cash Flow	Cash Flow Ratio (%)	50.08	25.81	54.45	21.99	18.45
	Cash Flow Adequacy Ratio (%)	88.68	87.49	87.14	92.22	88.37
	Cash Flow Reinvestment Ratio (%)	0.37	(0.84)	0.46	0.19	(0.49)
Leverage	Operating Leverage	1.70	1.50	1.85	5.29	Note1
	Financial Leverage	3.58	2.14	1.95	(0.81)	Note2
Analysis of deviation of 2018 vs. 2017 over 20%: The increase in Times Interest Earned,Return on Total Assets, Return on Shareholders' Equity, Pre-tax Income to Paid-in Capital Ratio, Net Margin and Basic Earnings Per Share were mainly due to the increase of net income in 2018. The decrease in Cash Flow Reinvestment Ratio was due to the increase of cash dividends paid in 2018.						

Note1：The ratio was equal or less than zero.

Note2：The ratio was not calculated due to operating loss in 2018.

*Glossary

1. Capital Structure Analysis
   (1) Debt Ratio = Total Liabilities / Total Assets
   (2) Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment

2. Liquidity Analysis
   (1) Current Ratio = Current Assets / Current Liabilities
   (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
   (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses

3. Operating Performance Analysis
   (1) Average Collection Turnover = Net Sales / Average Trade Receivables
   (2) Days Sales Outstanding = 365 / Average Collection Turnover
   (3) Average Inventory Turnover = Cost of Sales / Average Inventory
   (4) Average Payment Turnover = Cost of Sales / Average Trade Payables
   (5) Average Inventory Turnover Days = 365 / Average Inventory Turnover
   (6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment
   (7) Total Assets Turnover = Net Sales / Average Total Assets

4. Profitability Analysis
   (1) Return on Total Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate)) / Average Total Assets
   (2) Return on Shareholders' Equity = Net Income / Average Total Equity
   (3) Pre-tax Income to Paid-in Capital Ratio = Income before Tax / Paid-in Capital
   (4) Net Margin = Net Income / Net Sales
   (5) Basic Earnings Per Share = (Net income attributable to Shareholders of the Parent - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding

5. Cash Flow
   (1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities
   (2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend
   (3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital)

6. Leverage
   (1) Operating Leverage = (Net Sales - Variable Cost) / Income from Operations
   (2) Financial Leverage = Income from Operations / (Income from Operations - Interest Expenses)

6.3 Audit Committee's Review Report on the 2018 Financial Statements

To: The 2019 Regular Shareholders' Meeting

The Board of Directors has prepared the Company's 2018 Business Report, the Proposal for Profit Distribution, and the Financial Statements certified by CPA Ms. Li Wen Kuo and Mr. Yu Wei Fan of the Deloitte & Touche. The Business Report, Financial Statements, and the Proposal for Profit Distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Asia Cement Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Chairman of the Audit Committee: Ta-Chou Huang

May 8, 2019

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 Shareholders
Asia Cement Corporation

Opinion

We have audited the accompanying consolidated financial statements of Asia Cement Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies(collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance 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 and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2018 are stated as follows:

Estimated Impairment of Trade Receivables

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash flows are less than expected, a material impairment loss may arise. Refer to Notes 5 and 13. Because the key assumptions and inputs used for measuring expected credit losses on trade receivables represent an area of significant judgement and uncertainty, we considered the estimated impairment of trade receivables as one of the key audit matters.

The corresponding audit procedures for estimated impairment of trade receivables are as follows:

1. We obtained an understanding and performed tests on management's estimation of impairment of trade receivables and of the design and execution of relevant internal controls.

2. We evaluated the reasonableness of allowance for impairment loss by testing the aging of trade receivables and by quantifying the potential risk on overdue balances at the balance sheet date.

3. We tested the recoverability of receivables by vouching cash receipts after the balance sheet date.

4. For amounts that were past due and not yet recovered, we evaluated the adequacy of allowance for impairment loss by understanding the customers' historical payment performance, any collateral pledged, and other abilities to repay the bills.

Fair Value Measurement of Investment Properties

The Group's investment properties are subsequently measured using the fair value model and valued by an independent qualified professional appraiser, a member of the ROC certified real estate appraisers. Refer to Notes 5 and 20. Because the valuation of investment properties represents an area of significant judgement and uncertainty, we considered the fair value measurement of investment properties as one of the key audit matters.

The corresponding audit procedures for fair value measurement of investment properties are as follows:

1. We assessed the competencies and independence of the appraiser engaged by management and obtained an understanding of the scope of the work and the process of engagement acceptance to evaluate the risk of impairment of the appraiser's independence and the limitation in the scope of the appraiser's work.

2. We obtained an understanding of and assessed the reasonableness of management's assumptions and methods used in valuation.

3. We tested samples of items from management's supporting documents, including the

reasonableness of effective gross income, expenses, and ownerships of land and buildings used in the valuation process and reperformed the calculation of the fair value of investment properties.

Emphasis of Matter

The Group's investments in China Shanshui Cement Group Limited (CSCGL), which was previously recognized as financial assets at fair value through other comprehensive income, became qualified for the equity method of accounting and were therefore reclassified as investments accounted for using equity method in 2018. The Group reported a provisional amount of NT$2,789,881 thousand for the goodwill arising from the above transition during the measurement period as the goodwill was included in the carrying amounts of the Group's investment in CSCGL. The Group will engage outside specialists to provide assistance in measuring the identifiable net assets of CSCGL and the measurement will be completed within one year from the transition date. The provisional amounts will be adjusted retrospectively during the subsequent measurement period to reflect new information obtained from facts and circumstances that existed as of the transition date that, if known, would have affected the amounts recognized as of that date. Refer to Notes 8 and 18. Our opinion is not qualified in respect of this matter.

Other Matter

The financial statements of CSCGL, an associate accounted for using equity method, were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statements for CSCGL, is based solely on the reports of other auditors. As of December 31, 2018, the aggregate carrying value of the equity-method investments in CSCGL was NT$10,217,370 thousand, representing 4% of the consolidated total assets. For the year ended December 31, 2018, the share of profit or loss of CSCGL was NT$376,557 thousand, representing 2% of the consolidated income before income tax.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuo, Li Wen and Fan, Yu Wei.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2019

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, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

ASSETS	2018 Amount	2018 %	2017 Amount	2017 %
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 38)	$ 14,929,411	5	$ 7,739,492	3
Financial assets at fair value through profit or loss - current (Note 7)	9,046,583	3	322,080	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 40)	3,800,923	1	-	-
Available-for-sale financial assets - current (Notes 9 and 40)	-	-	7,805,406	3
Financial assets at amortized cost - current (Notes 6, 11, 38 and 40)	14,322,874	5	-	-
Contract assets - current (Note 33)	147,528	-	-	-
Debt investments with no active market - current (Notes 6, 12, 38 and 40)	-	-	4,380,928	2
Notes receivable				
Third parties	12,928,203	5	8,328,652	3
Trade receivables				
Third parties (Notes 13 and 14)	9,251,854	3	9,348,386	4
Related parties (Notes 13 and 38)	976,266	1	589,265	-
Other receivables (Notes 15 and 38)	2,964,751	1	3,042,831	1
Current tax assets (Note 33)	15,901	-	23,145	-
Inventories (Note 16)	9,804,276	4	6,572,982	3
Prepayments (Note 23)	1,684,612	1	1,675,449	1
Other current assets (Note 24)	485,324	-	434,086	-
Total current assets	80,358,506	29	50,262,702	20
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 18 and 40)	78,846,276	28	64,859,378	26
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 40)	9,784,743	4	-	-
Available-for-sale financial assets - non-current (Notes 9 and 40)	-	-	18,072,678	7
Financial assets at amortized cost - non-current (Notes 6, 11, 38 and 40)	14,642	-	-	-
Financial assets measured at cost - non-current (Note 10)	-	-	1,300,668	1
Debt investments with no active market - non-current (Notes 6, 12, 38 and 40)	-	-	150,549	-
Property, plant and equipment (Notes 19 and 40)	52,549,341	19	53,738,838	22
Investment properties (Notes 20 and 40)	35,965,203	13	35,745,411	14
Intangible assets (Notes 21 and 22)	3,694,783	1	4,552,561	2
Deferred tax assets (Note 33)	436,238	-	564,185	-
Finance lease receivables - non-current (Note 14)	8,894,355	3	9,566,585	4
Long-term prepayments for leases (Note 23)	3,779,353	1	3,814,315	2
Other non-current assets (Notes 24 and 38)	4,864,558	2	4,436,478	2
Total non-current assets	198,829,492	71	196,801,646	80
TOTAL	$ 279,187,998	100	$ 247,064,348	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 25 and 38)	$ 24,805,239	9	$ 18,410,863	7
Short-term bills payable (Note 26)	18,564,469	7	16,124,918	7
Financial liabilities at fair value through profit or loss - current (Note 7)	268,218	-	-	-
Contract liabilities - current (Note 33)	731,015	-	-	-
Accounts payable and accrued expenses				
Third parties	8,028,077	3	7,386,877	3
Related parties (Note 38)	250,857	-	272,360	-
Dividends and bonuses payable	231,722	-	205,046	-
Other payable - other (Note 27)	334,305	-	330,729	-
Current tax liabilities (Note 33)	2,181,268	1	1,155,972	1
Provisions - current (Note 30)	48,200	-	47,646	-
Customers' deposits and advances (Note 28)	-	-	748,214	-
Deferred revenue - current (Note 29)	75,912	-	68,085	-
Current portion of long-term liabilities (Notes 28 and 38)	7,285,012	2	9,197,457	4
Total current liabilities	62,804,294	22	53,948,167	22
NON-CURRENT LIABILITIES				
Bonds payable (Note 28)	12,192,567	5	10,000,000	4
Long-term borrowings (Notes 28 and 38)	33,593,896	12	27,277,821	11
Provisions - non-current (Notes 24, 30 and 41)	679,377	-	451,056	-
Deferred tax liabilities (Note 33)	9,365,429	4	8,100,162	3
Net defined benefit liabilities - non-current	185,107	-	193,291	-
Deferred revenue - non-current (Note 29)	923,805	-	858,838	1
Other non-current liabilities	395,177	-	438,649	-
Total non-current liabilities	57,335,358	21	47,319,817	19
Total liabilities	120,139,652	43	101,267,984	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 32)				
Share capital	33,614,472	12	33,614,472	14
Capital surplus	1,362,554	-	1,168,692	1
Retained earnings				
Legal reserve	15,615,380	6	15,068,480	6
Special reserve	63,945,145	23	63,001,957	25
Unappropriated earnings	20,358,461	7	16,125,837	7
Total retained earnings	99,918,986	36	94,196,274	38
Other equity	2,996,214	1	(1,543,873)	(1)
Total equity attributable to owners of the Corporation	137,892,226	49	127,435,565	52
NON-CONTROLLING INTERESTS (Note 32)	21,156,120	8	18,360,799	7
Total equity	159,048,346	57	145,796,364	59
TOTAL	$ 279,187,998	100	$ 247,064,348	100

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

(With Deloitte & Touche auditors' report dated March 21, 2019)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 33 and 38)	$ 82,741,004	100	$ 64,899,248	100
OPERATING COSTS (Notes 16, 33, 34 and 38)	61,584,690	74	54,728,230	85
GROSS PROFIT	21,156,314	26	10,171,018	15
UNREALIZED GROSS PROFIT ON SALES TO ASSOCIATES		-	(540)	-
REALIZED GROSS PROFIT ON SALES TO ASSOCIATES	15,147	-	-	-
REALIZED GROSS PROFIT	21,171,461	26	10,170,478	15
OPERATING EXPENSES				
Administrative expenses (Notes 34 and 38)	2,875,798	4	2,733,762	4
Expected credit loss (Note 13)	142,553	-	-	-
Total operating expenses	3,018,351	4	2,733,762	4
OPERATING INCOME	18,153,110	22	7,436,716	11
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 34)	1,479,803	2	1,040,658	2
Other gains and losses (Note 34)	(1,733,766)	(2)	(728,230)	(1)
Finance costs (Note 34)	(1,673,185)	(2)	(1,772,075)	(3)
Share of profit or loss of associates and joint ventures	4,144,156	5	2,522,090	4
Total non-operating income and expenses	2,217,008	3	1,062,443	2
INCOME BEFORE INCOME TAX	20,370,118	25	8,499,159	13
INCOME TAX EXPENSE (Note 35)	5,480,921	7	1,833,618	2
NET INCOME FOR THE YEAR	14,889,197	18	6,665,541	11

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME, NET				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	$ 707,605	1	$ -	-
Remeasurement of defined benefit plans	265,511	-	127,020	-
Share of other comprehensive income of associates and joint ventures	723,519	1	124,241	-
	1,696,635	2	251,261	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(894,761)	(1)	(1,017,135)	(1)
Unrealized gain on available-for-sale financial assets	-	-	4,092,288	6
Cash flow hedges	(2,434)	-	-	-
Share of other comprehensive income (loss) of associates and joint ventures	636,733	1	(1,206,875)	(2)
	(260,462)	-	1,868,278	3
Other comprehensive income for the year, net of income tax	1,436,173	2	2,119,539	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 16,325,370	20	$ 8,785,080	14
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 11,117,094	13	$ 5,469,007	8
Non-controlling interests	3,772,103	5	1,196,534	2
	$ 14,889,197	18	$ 6,665,541	10
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 12,811,353	16	$ 7,895,746	12
Non-controlling interests	3,514,017	4	889,334	2
	$ 16,325,370	20	$ 8,785,080	14
EARNINGS PER SHARE (Note 36)				
Basic	$3.54		$1.74	
Diluted	$3.49		$1.74	

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

(With Deloitte & Touche auditors' report dated March 21, 2019) (Concluded)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation														
							Other Equity								
	Capital Stock Issued			Retained Earnings											
	Shares	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gains on Property Revaluation	Cash Flow Hedges	Total Other Equity	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2017	3,361,447	$ 33,614,472	$ 1,167,881	$ 14,673,903	$ 62,119,922	$ 14,805,588	$ (44,313)	$ (4,023,554)	$ -	$ 307,728	$ 41,450	$ (3,718,689)	$ 122,663,077	$ 18,000,144	$ 140,663,221
Appropriation of 2016 earnings															
Legal reserve	-	-	-	394,577	-	(394,577)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	881,019	(881,019)	-	-	-	-	-	-	-	-	-
Cash dividends - $0.9 per share	-	-	-	-	-	(3,025,302)	-	-	-	-	-	-	(3,025,302)	-	(3,025,302)
Changes in capital surplus from investments in associates accounted for using equity method	-	-	811	-	-	-	-	-	-	-	-	-	811	-	811
Net profit for the year ended December 31, 2017	-	-	-	-	-	5,469,007	-	-	-	-	-	-	5,469,007	1,196,534	6,665,541
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	-	-	251,923	(2,593,840)	4,751,621	-	-	17,035	2,174,816	2,426,739	(307,200)	2,119,539
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(528,712)	(528,712)
Other changes in equity from investments in associates accounted for using equity method	-	-	-	-	1,016	(99,783)	-	-	-	-	-	-	(98,767)	33	(98,734)
BALANCE AT DECEMBER 31, 2017	3,361,447	33,614,472	1,168,692	15,068,480	63,001,957	16,125,837	(2,638,153)	728,067	-	307,728	58,485	(1,543,873)	127,435,565	18,360,799	145,796,364
Effect of retrospective application and retrospective restatement	-	-	-	-	-	1,713,459	-	(728,067)	516,962	-	-	(211,105)	1,502,354	4,810	1,507,164
BALANCE AT JANUARY 1, 2018, AS RESTATED	3,361,447	33,614,472	1,168,692	15,068,480	63,001,957	17,839,296	(2,638,153)	-	516,962	307,728	58,485	(1,754,978)	128,937,919	18,365,609	147,303,528
Appropriation of 2017 earnings															
Legal reserve	-	-	-	546,900	-	(546,900)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	943,188	(943,188)	-	-	-	-	-	-	-	-	-
Cash dividends - $1.2 per share	-	-	-	-	-	(4,033,736)	-	-	-	-	-	-	(4,033,736)	-	(4,033,736)
Equity component of convertible bonds issued by the Corporation	-	-	185,411	-	-	-	-	-	-	-	-	-	185,411	-	185,411
Changes in capital surplus from investments in associates accounted for using equity method	-	-	8,451	-	-	-	-	-	-	-	-	-	8,451	-	8,451
Net profit for the year ended December 31, 2018	-	-	-	-	-	11,117,094	-	-	-	-	-	-	11,117,094	3,772,103	14,889,197
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	351,764	(3,211)	-	1,343,257	-	2,449	1,342,495	1,694,259	(258,086)	1,436,173
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(723,504)	(723,504)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(3,408,697)	-	-	3,408,697	-	-	3,408,697	-	-	-
Other changes in equity from investments in associates accounted for using equity method	-	-	-	-	-	(17,172)	-	-	-	-	-	-	(17,172)	(2)	(17,174)
BALANCE AT DECEMBER 31, 2018	3,361,447	$ 33,614,472	$ 1,362,554	$ 15,615,380	$ 63,945,145	$ 20,358,461	$ (2,641,364)	$ -	$ 5,268,916	$ 307,728	$ 60,934	$ 2,996,214	$ 137,892,226	$ 21,156,120	$ 159,048,346

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

(With Deloitte & Touche auditors' report dated March 21, 2019)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 20,370,118	$ 8,499,159
Adjustments for:		
Depreciation expenses	4,649,561	4,839,940
Share of loss of associates and joint ventures	(4,144,156)	(2,522,090)
Finance costs	1,673,185	1,772,075
Dividend income	(770,314)	(616,680)
Impairment loss recognized on goodwill	630,631	-
Interest income	(370,571)	(179,840)
Reversal of impairment loss on (write-downs of) inventories	315,353	(4,401)
Amortization expenses	269,631	337,651
Net loss (gain) on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	256,294	(31,422)
Gain on disposal of financial assets	(251,859)	(393,588)
Impairment loss recognized on associates and joint ventures	200,245	122,619
Expected credit loss recognized on trade receivables	142,553	-
Gain on changes in fair value of investment properties	(98,015)	(216,580)
Impairment loss on property, plant and equipment	51,888	-
Gain on disposal of subsidiaries	(40,440)	-
Loss on disposal of property, plant and equipment	33,455	103,818
Unrealized (gain) loss on foreign exchange	(15,575)	419,217
Effect of changes in exchange rate of bonds payable	300	(7,470)
Impairment loss recognized on trade receivables	-	159,402
Loss on disposal of intangible assets	-	1,030
Gain on disposal of associates	-	(76)
Other items	(755)	4,949
Changes in operating assets and liabilities		
Financial assets held for trading	-	37,397
Financial assets mandatorily classified as at fair value through profit or loss	(3,051,110)	-
Contract assets	(44,533)	-
Notes receivable	(4,805,502)	(4,188,102)
Trade receivables	525,258	596,114
Other receivables	(487,332)	(365,498)
Inventories	(3,566,055)	278,234
Prepayments	(31,307)	(810,951)
Other current assets	(74,718)	12,784
Contract liabilities	(20,934)	-
Accounts payable and accrued expenses	(640,964)	496,543
Provisions	176,021	153,618
Customers' deposits and advances	-	41,831
Net defined benefit liabilities	(12,254)	(1,661)
Deferred revenue	(68,085)	(68,085)
Cash generated from operations	10,800,014	8,469,937
Interests received	254,393	191,079
Dividends received	3,172,662	2,298,195

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
Interests paid	$ (1,658,691)	$ (1,731,570)
Income tax paid	(3,304,318)	(1,088,593)
Net cash generated from operating activities	9,264,060	8,139,048
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(9,537,968)	-
Acquisition of property, plant and equipment	(4,274,600)	(1,157,324)
Acquisition of financial assets at fair value through other comprehensive income	(556,016)	-
Acquisition of associates	(123,120)	(16,024)
Proceeds from disposal of property, plant and equipment	90,395	150,935
Increase in long-term prepayments for investment	(83,721)	(1,954,754)
Proceeds from disposal of subsidiaries	48,391	-
Acquisition of intangible assets	(13,037)	(13,608)
Increase in refundable deposits	(9,678)	(711,225)
Decrease in other non-current assets	1,559	2,950
Acquisition of investment properties	(1,269)	(48,967)
Acquisition of available-for-sale financial assets	-	(6,799,317)
Proceeds from sale of available-for-sale financial assets	-	5,689,530
Increase in debt investments with no active market	-	(2,037,434)
Proceeds from capital reduction of investments accounted for using equity method	-	115,631
Increase in prepayments for leases	-	(27,997)
Proceeds from capital reduction of available-for-sale financial assets	-	16,880
Proceeds from capital reduction of financial assets at cost	-	5,841
Net cash inflow on disposal of associates	-	86
Net cash used in investing activities	(14,459,064)	(6,784,797)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	34,819,996	33,917,158
Repayments of long-term borrowings	(30,396,615)	(34,878,734)
Proceeds from issuance of bonds	6,574,843	-
Increase (decrease) in short-term borrowings	6,445,333	(300,971)
Repayments of bonds	(4,089,430)	-
Dividends paid	(4,033,715)	(3,025,272)
Increase in short-term bills payable	2,439,125	4,094,700
Change of non-controlling interests	723,504	(528,712)
Decrease in other non-current liabilities	(59,096)	(63,285)
Increase in guarantee deposits received	14,691	5,561
Net cash generated from (used in) financing activities	12,438,636	(779,555)

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	$ (53,713)	$ (285,210)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,189,919	289,486
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,739,492	7,450,006
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 14,929,411	$ 7,739,492

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

(With Deloitte & Touche auditors' report dated March 21, 2019) (Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Cement Corporation

Opinion

We have audited the accompanying financial statements of Asia Cement Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2018 and 2017, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter section), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Corporation's financial statements for the year ended December 31, 2018 are stated as follows:

Estimated Impairment of Trade Receivables of Subsidiaries

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Corporation's subsidiaries use judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on their historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash flows are less than expected, a material impairment loss may arise. Because the key assumptions and inputs used for measuring expected credit losses on trade receivables represent an area of significant judgement and uncertainty, we considered the estimated impairment of trade receivables as one of the key audit matters.
The corresponding audit procedures for estimated impairment of trade receivables of subsidiaries are as follows:

1. We obtained an understanding and performed tests on the management's estimation of impairment of

trade receivables and of the design and execution of relevant internal controls.

2. We evaluated the reasonableness of allowance for impairment loss by testing the aging of trade receivables and by quantifying the potential risk on overdue balances at the balance sheet date.

3. We tested the recoverability of receivables by vouching cash receipts after the balance sheet date.

4. For amounts that were past due and not yet recovered, we evaluated the adequacy of allowance for impairment loss by understanding the customers' historical payment performance, any collateral pledged, and other abilities to repay the bills.

Fair Value Measurement of Investment Properties

The Corporation's and its subsidiaries' investment properties are subsequently measured using the fair value model and valued by an independent qualified professional appraiser, a member of the ROC certified real estate appraisers. Refer to Notes 5 and 17. Because the valuation of investment properties represents an area of significant judgement and uncertainty, we considered the fair value measurement of investment properties as one of the key audit matters.

The corresponding audit procedures for fair value measurement of investment properties are as follows:

1. We assessed the competencies and independence of the appraiser engaged by management and obtained an understanding of the scope of the work and the process of engagement acceptance to evaluate the risk of impairment of the appraiser's independence and the limitation in the scope of the appraiser's work.

2. We obtained an understanding of and assessed the reasonableness of management's assumptions and methods used in valuation.

3. We tested samples of items from management's supporting documents, including the reasonableness of effective gross income, expenses, and ownerships of land and buildings used in the valuation process and reperformed the calculation of the fair value of investment properties.

Emphasis of Matter

The Corporation's and its subsidiaries' investments in China Shanshui Cement Group Limited (CSCGL), which was previously recognized as financial assets at fair value through other comprehensive income, became qualified for the equity method of accounting and were therefore reclassified as investments accounted for using equity method in 2018. The Corporation and its subsidiaries reported a provisional amount of NT$2,789,230 thousand for the goodwill arising from the above transition during the measurement period as the goodwill was included in the carrying amounts of the Corporation's and its subsidiaries' investment in CSCGL. The Corporation will engage outside specialists to provide assistance in measuring the identifiable net assets of CSCGL and the measurement will be completed within one year from the transition date. The provisional amounts will be adjusted retrospectively during the subsequent measurement period to reflect new information obtained from facts and circumstances that existed as of the transition date that, if known, would have affected the amounts recognized as of that date. Refer to Notes 8 and 15. Our opinion is not qualified in respect of this matter.

Other Matter

The financial statements of CSCGL, an associate accounted for using equity method, were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statements for CSCGL, is based solely on the reports of other auditors. As of December 31, 2018, the aggregate carrying value of the equity-method investments in CSCGL was NT$10,215,045 thousand, representing 5% of the total assets. For the year ended December 31, 2018, the share of profit or loss of CSCGL was NT$376,472 thousand, representing 2% of the income before income tax.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuo, Li Wen and Fan, Yu Wei.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2019

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, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

ASSETS	2018 Amount	2018 %	2017 Amount	2017 %
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 32)	$ 3,165,795	2	$ 815,926	1
Financial assets at fair value through profit or loss - current (Note 7)	1,172,826	1	171,500	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 34)	2,371,026	1	-	-
Available-for-sale financial assets - current (Notes 9 and 34)	-	-	3,063,312	2
Financial assets at amortized cost - current (Notes 6, 11 and 32)	462,275	-	-	-
Debt investments with no active market - current (Notes 6, 12 and 32)	-	-	2,596,386	1
Notes receivable				
Third parties	95,212	-	102,303	-
Trade receivables				
Third parties (Note 13)	474,070	-	365,037	-
Related parties (Notes 13 and 32)	520,982	-	399,481	-
Other receivables (Note 32)	29,495	-	33,114	-
Current tax assets (Note 28)	9,022	-	5,664	-
Inventories (Note 14)	1,663,395	1	1,303,587	1
Prepayments (Note 19)	188,456	-	105,239	-
Other current assets	12,125	-	8,327	-
Total current assets	10,164,679	5	8,969,876	5
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 15 and 34)	125,632,890	65	109,772,422	61
Financial assets at fair value through other comprehensive income - non-current (Note 8)	5,386,142	3	-	-
Available-for-sale financial assets - non-current (Note 9)	-	-	9,044,215	5
Financial assets measured at cost - non-current (Note 10)	-	-	128,793	-
Property, plant and equipment (Notes 16 and 34)	4,374,050	2	4,665,393	3
Investment properties (Notes 17, 32 and 34)	41,689,694	22	42,019,637	23
Intangible assets (Note 18)	8,344	-	8,948	-
Deferred tax assets (Note 28)	12,603	-	168,986	-
Long-term prepayments for leases (Note 19)	369,801	-	259,142	-
Other non-current assets (Notes 20, 24 and 32)	5,192,895	3	4,808,286	3
Total non-current assets	182,666,419	95	170,875,822	95
TOTAL	$ 192,831,098	100	$ 179,845,698	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bills payable (Note 21)	$ 11,437,104	6	$ 9,128,405	5
Financial liabilities at fair value through profit or loss - current (Note 7)	268,218	-	-	-
Contract liabilities - current (Note 26)	40,661	-	-	-
Accounts payable and accrued expenses				
Third parties	1,415,215	1	1,342,662	1
Related parties (Note 32)	188,104	-	172,116	-
Dividends and bonuses payable	214,593	-	201,986	-
Current tax liabilities (Note 28)	8,477	-	-	-
Customers' deposits and advances	-	-	49,701	-
Deferred revenue - current (Note 23)	75,912	-	68,085	-
Current portion of long-term liabilities (Note 22)	4,000,000	2	4,088,612	2
Total current liabilities	17,648,284	9	15,051,567	8
NON-CURRENT LIABILITIES				
Bonds payable (Note 22)	12,192,567	6	10,000,000	6
Long-term borrowings (Note 22)	15,025,011	8	18,574,083	10
Provisions - non-current (Note 23)	98,000	-	-	-
Deferred tax liabilities (Note 28)	9,020,630	5	7,894,060	4
Deferred revenue - non-current (Note 23)	923,805	-	858,838	1
Other non-current liabilities	30,575	-	31,585	-
Total non-current liabilities	37,290,588	19	37,358,566	21
Total liabilities	54,938,872	28	52,410,133	29
EQUITY (Notes 25 and 28)				
Ordinary shares	33,614,472	17	33,614,472	19
Capital surplus	1,362,554	1	1,168,692	1
Retained earnings				
Legal reserve	15,615,380	8	15,068,480	8
Special reserve	63,945,145	33	63,001,957	35
Unappropriated earnings	20,358,461	11	16,125,837	9
Total retained earnings	99,918,986	52	94,196,274	52
Other equity	2,996,214	2	(1,543,873)	(1)
Total equity	137,892,226	72	127,435,565	71
TOTAL	$ 192,831,098	100	$ 179,845,698	100

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

(With Deloitte & Touche auditors' report dated March 21, 2019)

ASIA CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 26 and 32)	$ 8,732,236	100	$ 8,186,867	100
OPERATING COSTS (Notes 14, 26, 27 and 32)	8,479,146	97	7,525,121	92
GROSS PROFIT	253,090	3	661,746	8
REALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES AND ASSOCIATES	3,444	-	9,181	-
REALIZED GROSS PROFIT	256,534	3	670,927	8
OPERATING EXPENSES				
Administrative expenses (Notes 27 and 32)	649,813	8	522,645	6
Expected credit loss (Note 13)	694	-	-	-
Total operating expenses	650,507	8	522,645	6
OPERATING (LOSS) INCOME	(393,973)	(5)	148,282	2
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 27)	592,445	7	439,018	5
Other gains and losses (Note 27)	(641,800)	(7)	(85,962)	(1)
Finance costs (Note 27)	(331,984)	(4)	(331,552)	(4)
Share of profit or loss of subsidiaries and associates	12,970,044	148	5,231,593	64
Total non-operating income and expenses	12,588,705	144	5,253,097	64
INCOME BEFORE INCOME TAX	12,194,732	139	5,401,379	66
INCOME TAX EXPENSE (BENEFIT) (Note 28)	1,077,638	12	(67,628)	(1)
NET INCOME FOR THE YEAR	11,117,094	127	5,469,007	67
OTHER COMPREHENSIVE INCOME, NET				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(9)	-	-	-
Remeasurement of defined benefit plans	265,965	3	148,032	2
Share of other comprehensive income of subsidiaries and associates	1,426,545	17	103,891	1
	1,692,501	20	251,923	3

(Continued)

ASIA CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain on available-for-sale financial assets	$ -	-	$ 1,745,213	21
Share of other comprehensive income of subsidiaries and associates	1,758	-	429,603	5
	1,758	-	2,174,816	26
Other comprehensive income for the year, net of income tax	1,694,259	20	2,426,739	29
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 12,811,353	147	$ 7,895,746	96
EARNINGS PER SHARE (Note 29)				
Basic	$ 3.54		$ 1.74	
Diluted	$ 3.49		$ 1.74	

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

(With Deloitte & Touche auditors' report dated March 21, 2019) (Concluded)

ASIA CEMENT CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Capital Stock Issued			Retained Earnings			Other Equity						
	Shares	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gains on Property Revaluation	Cash Flow Hedge	Total	Total Equity
BALANCE AT JANUARY 1, 2017	3,361,447	$ 33,614,472	$ 1,167,881	$ 14,673,903	$ 62,119,922	$ 14,805,588	$ (44,313)	$ (4,023,554)	$ -	$ 307,728	$ 41,450	$ (3,718,689)	$ 122,663,077
Appropriation of 2016 earnings													
Legal reserve	-	-	-	394,577	-	(394,577)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	881,019	(881,019)	-	-	-	-	-	-	-
Cash dividends - $0.9 per share	-	-	-	-	-	(3,025,302)	-	-	-	-	-	-	(3,025,302)
Changes in capital surplus from investments in subsidiaries and associates accounted for using equity method	-	-	811	-	-	-	-	-	-	-	-	-	811
Net profit for the year ended December 31, 2017	-	-	-	-	-	5,469,007	-	-	-	-	-	-	5,469,007
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	-	-	251,923	(2,593,840)	4,751,621	-	-	17,035	2,174,816	2,426,739
Other changes in equity from investments in subsidiaries and associates accounted for using equity method	-	-	-	-	1,016	(99,783)	-	-	-	-	-	-	(98,767)
BALANCE AT DECEMBER 31, 2017	3,361,447	33,614,472	1,168,692	15,068,480	63,001,957	16,125,837	(2,638,153)	728,067	-	307,728	58,485	(1,543,873)	127,435,565
Effect of retrospective application and retrospective restatement	-	-	-	-	-	1,713,459	-	(728,067)	516,962	-	-	(211,105)	1,502,354
BALANCE AT JANUARY 1, 2018, AS RESTATED	3,361,447	33,614,472	1,168,692	15,068,480	63,001,957	17,839,296	(2,638,153)	-	516,962	307,728	58,485	(1,754,978)	128,937,919
Appropriation of 2017 earnings													
Legal reserve	-	-	-	546,900	-	(546,900)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	943,188	(943,188)	-	-	-	-	-	-	-
Cash dividends - $1.2 per share	-	-	-	-	-	(4,033,736)	-	-	-	-	-	-	(4,033,736)
Equity component of convertible bonds issued by the Corporation	-	-	185,411	-	-	-	-	-	-	-	-	-	185,411
Changes in capital surplus from investments in subsidiaries and associates accounted for using equity method	-	-	8,451	-	-	-	-	-	-	-	-	-	8,451
Net profit for the year ended December 31, 2018	-	-	-	-	-	11,117,094	-	-	-	-	-	-	11,117,094
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	351,764	(3,211)	-	1,343,257	-	2,449	1,342,495	1,694,259
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(3,408,697)	-	-	3,408,697	-	-	3,408,697	-
Other changes in equity from investments in subsidiaries and associates accounted for using equity method	-	-	-	-	-	(17,172)	-	-	-	-	-	-	(17,172)
BALANCE AT DECEMBER 31, 2018	3,361,447	$ 33,614,472	$ 1,362,554	$ 15,615,380	$ 63,945,145	$ 20,358,461	$ (2,641,364)	$ -	$ 5,268,916	$ 307,728	$ 60,934	$ 2,996,214	$ 137,892,226

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

(With Deloitte & Touche auditors' report dated March 21, 2019)

ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 12,194,732	$ 5,401,379
Adjustments for:		
Share of profit or loss of subsidiaries and associates	(12,970,044)	(5,231,593)
Depreciation expenses	464,781	641,963
Dividend income	(405,773)	(297,566)
Finance costs	331,984	331,552
Loss (gain) on changes in fair value of investment properties	331,211	(380,386)
Net gain on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	(171,737)	(10,900)
Interest income	(114,003)	(57,841)
Write-downs of inventories	52,791	-
Unrealized loss on foreign exchange	44,425	257,339
(Gain) loss on disposal of property, plant and equipment	(4,053)	79
Realized gross profit on sales to subsidiaries and associates	(3,444)	(9,181)
Amortization expenses	3,297	3,438
Expected credit loss recognized on trade receivables	694	-
Effect of changes in exchange rate of bonds payable	300	(7,470)
Gain on disposal of available-for-sale financial assets	-	(34,961)
Reversal of impairment loss on trade receivables	-	(254)
Other items	-	4,409
Changes in operating assets and liabilities:		
Notes receivable	7,091	32,810
Trade receivables	(238,962)	(28,858)
Other receivables	1,322	(12,540)
Inventories	(396,116)	(25,003)
Prepayments	(52,997)	52,336
Other current assets	(3,798)	(223)
Net defined benefit assets	(37,657)	(20,774)
Contract liabilities	(9,040)	-
Accounts payable and accrued expenses	189,552	(53,426)
Provisions	48,000	-
Customers' deposits and advances	-	(12,146)
Deferred revenue	(68,085)	(68,085)
Cash generated from operations	(805,529)	474,098
Interest received	112,952	57,546
Dividend received	4,296,112	3,105,652
Interest paid	(336,387)	(325,003)
Income tax paid	(11,234)	(2,267)
Net cash generated from operating activities	3,255,914	3,310,026
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at amortized cost	2,096,122	-
Acquisition of property, plant and equipment	(194,754)	(172,142)

(Continued)

ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
Increase in refundable deposits	$ (33,377)	$ (720,804)
Proceeds from disposal of property, plant and equipment	4,059	-
Acquisition of intangible assets	(2,693)	(2,099)
Acquisition of investment properties	(1,269)	(48,967)
Increase in debt investments with no active market	-	(1,872,833)
Increase in long-term prepayments for investment	-	(1,911,179)
Acquisition of available-for-sale financial assets	-	(899,109)
Proceeds from disposal of available-for-sale financial assets	-	286,209
Net cash generated from (used in) investing activities	1,868,088	(5,340,924)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	(18,588,000)	(17,700,000)
Proceeds from long-term borrowings	15,033,000	18,588,000
Proceeds from issuance of bonds	6,574,843	-
Repayments of bonds	(4,089,430)	-
Dividends paid	(4,033,715)	(3,025,272)
Increase in short-term bills payable	2,310,000	2,990,000
Decrease in guarantee deposits received	(1,010)	(400)
Net cash (used in) generated from financing activities	(2,794,312)	852,328
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	20,179	(124,655)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,349,869	(1,303,225)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	815,926	2,119,151
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,165,795	$ 815,926

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

(With Deloitte & Touche auditors' report dated March 21, 2019) (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	2017	2018	Variance	
			Amount	%
Current Assets	50,262,702	80,358,506	30,095,804	60
Property, Plant and Equipment	53,738,838	52,549,341	(1,189,497)	(2)
Intangible Assets	4,552,561	3,694,783	(857,778)	(19)
Other Assets	138,510,247	142,585,368	4,075,121	3
Total Assets	247,064,348	279,187,998	32,123,650	13
Current Liabilities	53,948,167	62,804,294	8,856,127	16
Non-current Liabilities	47,319,817	57,335,358	10,015,541	21
Total Liabilities	101,267,984	120,139,652	18,871,668	19
Equity Attributable To Owners Of The Corporation	127,435,565	137,892,226	10,456,661	8
Share Capital	33,614,472	33,614,472	0	0
Capital Surplus	1,168,692	1,362,554	193,862	17
Retained Earnings	94,196,274	99,918,986	5,722,712	6
Other Equity	(1,543,873)	2,996,214	4,540,087	294
Non-Controlling Interests	18,360,799	21,156,120	2,795,321	15
Total Equity	145,796,364	159,048,346	13,251,982	9

Analysis of deviation over 20%:

1. The increase of current assets were mainly due to the increase of cash and cash equivalents,and financial assets at amortized cost.
2. The increase of non-current liabilities were mainly due to the increase of long-term borrowings.
3. Other equity increased mainly resulted from the increase of unrealized gains on financial assets measured at fair value through other comprehensive income.

7.2 Analysis of Financial Performance

UNIT: NT$1,000

Item \ Year	2017	2018	Variance	
			Amount	%
Operating Revenue	64,899,248	82,741,004	17,841,756	27
Operating Costs	54,728,230	61,584,690	6,856,460	13
Gross Profit	10,171,018	21,156,314	10,985,296	108
Realized(Unrealized) Gross Profit	(540)	15,147	15,687	2,905
Realized Gross Profit	10,170,478	21,171,461	11,000,983	108
Operating Expenses	2,733,762	3,018,351	284,589	10
Profit From Operations	7,436,716	18,153,110	10,716,394	144
Non-operating Income And Expenses	1,062,443	2,217,008	1,154,565	109
Income Before Income Tax	8,499,159	20,370,118	11,870,959	140
Income Tax Expense	1,833,618	5,480,921	3,647,303	199
Net Profit For The Year	6,665,541	14,889,197	8,223,656	123
Other Comprehensive Income , Net	2,119,539	1,436,173	(683,366)	(32)
Total Comprehensive Income For The Year	8,785,080	16,325,370	7,540,290	86
Net Profit Attributable To Owner Of The Company	5,469,007	11,117,094	5,648,087	103
Net Profit Attributable To Non-Controlling Interests	1,196,534	3,772,103	2,575,569	215
Total Comprehensive Income Attributable To Owner Of The Company	7,895,746	12,811,353	4,915,607	62
Total Comprehensive Income Attributable To Non-Controlling Interests	889,334	3,514,017	2,624,683	295

1. Analysis of deviation :
   The increase of operating revenue, gross profit, realized gross profit and profit from operations, were mainly due to the increase of average selling price of cement in mainland China.
   The increase of the realized gross profit resulted from the transactions with affiliated companies in 2018.
   The increase of non-operating income and expenses was mainly due to the increase of investment revenue .
   The increase of the income before income tax, income tax expense and net profit for the year were mainly due to the profit increase of cement business in mainland China.
   Other comprehensive income decreased mainly due to the decrease of unrealized gains on financial assets.
2.Expected sales volume in next one year and the reason for such expectation. The impact of such expectation on the Company's financial situation and operational performances, and the Company's plan: Please refer to the "Letter to Shareholders".

7.3 Analysis of Cash Flow

(1)The Analysis for Changing of Cash Flow for 2018

Unit: NT$1,000

Cash Balance in the Beginning	Net Cash Inflows from Operating Activities	Total Cash Outflows	The Cash Surplus	Source of Funding for Negative Cash Balance	
				Investing Plans	Financing Plans
7,739,492	9,264,060	2,074,141	14,929,411	-	-

1. Operating Activities: Mainly generated from operations NT$10,800,014 thousand and dividends received NT$3,172,662 thousand .
2. Investing Activities: Mostly for net increase in financial assets NT$10,252,434 thousand and net increase in PPE NT$4,184,205 thousand.
3. Financing activities: Mostly for net increase in short-term and long-term loans NT$15,793,252 thousand.

(2)Remedy plans for insufficient liquidity for 2018：Not Applicable.

(3)Liquidity Analysis for the Coming Year

Unit: NT$1,000

Cash Balance in the Beginning	Expected Net Cash Inflows from Operating Activities	Expected Total Cash Outflows	Expected Cash Surplus	Expected Source of Funding for Negative Cash Balance	
				Investing Plans	Financing Plans
14,929,411	15,538,374	14,933,028	15,534,757	-	-

1. Operating Activities：Mainly from operating income and cash dividends received.
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	Capital Expenditures					
				Actual		Expected			
				2012~2017	2018	2019	2020	2021	2022
Installation constructions of new indoor coal bunker , stacker reclaimer and material conveyor system in Hualien plant	Self-owned capital	Dec. 2022	556,160	9,086	78	11,500	140,000	100,000	295,496
CHIAHUI POWER natural gas fueled combined cycle power plant (Phase II Expansion)	Syndicated loan	Sep. 2020	10,527,736	-	2,874,902	4,020,218	3,632,616	-	-

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

1. Installation constructions of new indoor coal bunker, stacker reclaimer and material conveyor system in Hualien plant
   (1) To prevent coal heaps from collapsing due to heavy rain, and the corresponding cost from the damage to the machine and from rebuilding the coal heaps, and to ensure the water discharge during the period is in compliance with the environmental regulations.
   (2) To prevent coal from absorbing excessive water during the heavy rain, which could cause some loss due to the reduction or interruption of clinker production.
2. After the completion of the natural gas fueled combined cycle power plant (Phase II Expansion) of Chiahui Power, it will increase the stable profit every year.

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 2018, the total gain through equity method by the company was NT$ 4,144,156 (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 2018 are as follows:

Unit：NT$1,000

Item \ Year	2018
Foreign Exchange Gains (Losses) (A)	90,672
Operating Revenue (B)	82,741,004
% of Operating Revenue (A)/(B)	0.1%
Operating Income (C)	18,153,110
% of Operating Income (A)/(C)	0.5%

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 such 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 2018 are as follows:

Unit：NT$1,000

Item \ Year	2018
Interest Revenue (Losses) (A)	(1,302,614)
Operating Revenue (B)	82,741,004
% of Operating Revenue (A)/(B)	(1.6%)
Operating Income (C)	18,153,110
% of Operating Income (A)/(C)	(7.2%)

If market interest rates had been 0.01% higher/lower, the group's pretax profit for the year ended December 31, 2018 would have decreased/increased by NT$3,698 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 1.35% in 2018. 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$23,249,487,000 and NT$ 23,339,252,000 by the end of 2018 and the end of March 2019 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 which the Company 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 has established internal policies and procedures based on sound financial and business practices, and 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$6,634,450,000 (fair value was NT$6,589,733,000) by the end of 2018, and NT$ 6,634,450,000 (fair value was NT$6,742,568,000) by the end of March 2019.

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	No.2 Raw material grinding roller hydraulic system update	2,900
2	No.3 Raw material grinding roller hydraulic system update	3,100
3	No.3 kiln PLC system equipment update	9,500
4	Quarry secondary crusher PLC system equipment update	4,200
5	Development of high alumina material analysis and trace element technology	140
	Total	19,840

◎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.

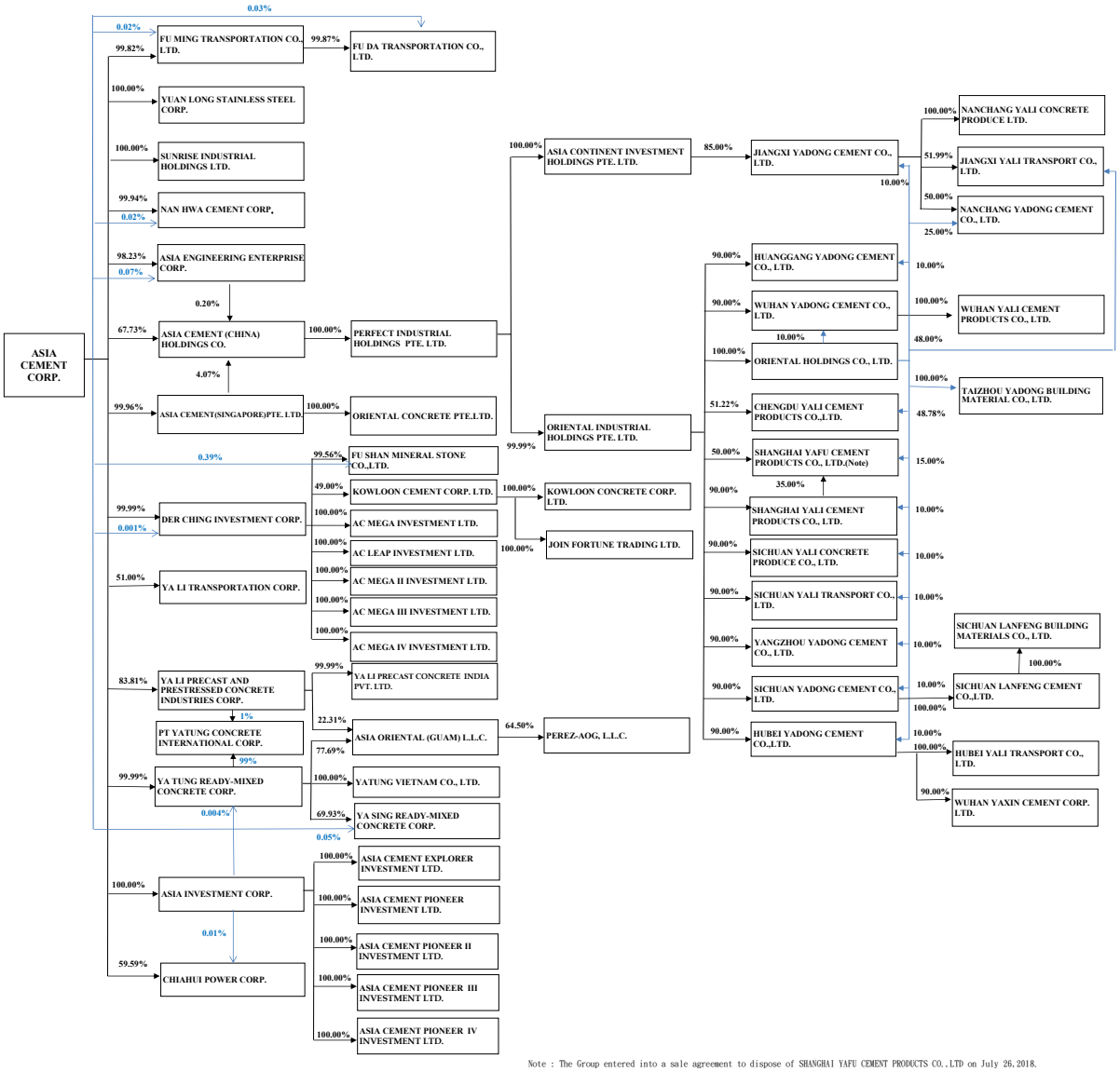
◎Litigation, non-litigation incidents or administrative disputes of directors, supervisors, president, shareholders with more than 10% shareholdings, or subsidiaries which could materially affect shareholders' equity or the prices of the Company's securities: None.

◎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, 2018

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
FU MING TRANSPORTATION CO., LTD. Address: 23F., No.16-1, Xinzhan Rd., Banqiao 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	Stainless steel
SUNRISE INDUSTRIAL HOLDINGS LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, 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	Cement, Blast-Furnace Slag, 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	5,956,218	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	1,590,750	Ready-mixed concrete, Cement products
ASIA INVESTMENT CORP. Address: 31F., No.207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	Oct. 1998	2,220,396	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: 23F., No.16-1, Xinzhan Rd., Banqiao Dist., New Taipei City	Feb. 1989	279,279	Transportation
PERFECT INDUSTRIAL HOLDINGS PTE. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	May. 1997	USD 9,379	Investment
ORIENTAL CONCRETE PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Oct. 1980	SGD 17,000	Ready-mixed concrete, Leasing

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
FU SHAN MINERAL STONE CO., LTD. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Dec. 1970	13,000	Mining excavation, mineral processing and sales
KOWLOON CEMENT CORP. LTD. Address: 11/F Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong	Sep. 1986	HKD 23,000	Cement
AC MEGA INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Nov. 2010	USD 19,600	Investment
AC LEAP INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Nov. 2010	USD 19,600	Investment
AC MEGA II INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 10,000	Investment
AC MEGA III INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 10,000	Investment
AC MEGA IV INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 19,400	Investment
YA LI PRECAST CONCRETE INDIA PVT. LTD. Address: 7/241,2nd Floor, Sunder Vihar, Paschim Vihar, New Delhi-110087	Jun. 2007	INR 16,000	Cement products
ASIA ORIENTAL (GUAM) L.L.C Address: 136 Adrian Sanchez Street Tamuning, GU 96913	Aug. 2010	USD 8,000	Investment
PT YATUNG CONCRETE INTERNATIONAL Address: Kawasan Ruko City Walk CW-6 No.15 Citra Gran Cibubur Kelurahan Jatisampurna,Kota Bekasi.	Sep. 2018	USD 2,000	Ready-mixed concrete
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
YA SING READY-MIXED CONCRETE CORP. Address: No.350, Niupu S. Rd., Xiangshan Dist., Hsinchu City	Apr. 2000	100,000	Ready-mixed concrete
ASIA CEMENT EXPLORER INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Aug. 2008	USD 11,415	Investment
ASIA CEMENT PIONEER INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Aug. 2008	USD 66,550	Investment

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
ASIA CEMENT PIONEER II INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 18,500	Investment
ASIA CEMENT PIONEER III INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 10,000	Investment
ASIA CEMENT PIONEER IV INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 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	Ready-mixed concrete, Barges
JOIN FORTUNE TRADING LTD Address: 263 MAIN STREET, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	Jul. 2012	USD 2,980	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: No.6, Yadong Road, Ma-Tou Town, Rui Chang City, Jiangxi Province, China	Oct. 1997	USD 356,104	Cement, Clinker, Blast-Furnace Slag, Cement products
HUANGGANG YADONG CEMENT CO., LTD. Address: 5 Tiyu Avenue,Huangzhou Zone， Huanggang City, Hubei Province, China	Aug. 2006	USD 86,170	Cement, Clinker, Blast-Furnace Slag, Cement products
WUHAN YADONG CEMENT CO., LTD. Address: Cihui Avenue, Wujiashan Taiwan Business Investment Zone, Dongxihu, Wuhan, China	Nov. 1999	USD 36,140	Cement Grinding, Blast-Furnace Slag
ORIENTAL HOLDINGS CO., LTD. Address: Room 305A,No 2875,South Yanggao Rd, Pudong New Area, Shanghai	Jul. 2003	USD 130,407	Investment
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 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

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
YANGZHOU YADONG CEMENT CO., LTD. Address: No.7 Gudu Road BaliTown, Yangzhou Economic Development Zone Yangzhou City Jiangsu Province China	Jul. 2006	USD 35,530	Cement Grinding, Blast-Furnace Slag, Ready-mixed concrete, Cement products
SICHUAN YADONG CEMENT CO., LTD. Address: No.66 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	Nov. 2004	USD 368,340	Cement, Clinker, Blast-Furnace Slag, Cement products
HUBEI YADONG CEMENT CO., LTD. Address: No.66 Ya Dong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, China	Jun. 2005	USD 154,800	Cement, Clinker, Blast-Furnace Slag, 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 Road, Ma-Tou Town, Rui Chang City, Jiangxi Province, China	Apr. 2005	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 Grinding, Blast-Furnace Slag
WUHAN YALI CEMENT PRODUCTS CO., LTD. Address: No.66 Ya Dong Avenue, Pingjiang Went 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	Cement products, Construction
SICHUAN LANFENG CEMENT CO., LTD. Address: Middle, Qinggui Road, Guihua Town, Pengzhou, Chengdu City, Sichuan, China	Sep. 2008	RMB 600,000	Cement, Clinker, Blast-Furnace Slag, Cement products
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	Cement, Clinker, Blast-Furnace Slag, Cement products

8.3 Main Business of Affiliated Companies

Please Refer to Above List.

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

As of December 31, 2018

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
FU MING TRANSPOR-TATION 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	C.H. Chung (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 / President	Y.F. Chang (ACC Representative)	26,128,171	99.94
	Director	Peter Hsu (ACC Representative)	26,128,171	99.94
	Director	Doris Wu (ACC Representative)	26,128,171	99.94
	Director	T.M. Chen (ACC Representative)	26,128,171	99.94
	Director	C.H. 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	Peter Hsu	6,817	0.08
	Director	K.Y. Lee (ACC Representative)	7,970,703	98.23
	Director	C.H. Chen (ACC Representative)	7,970,703	98.23
	Supervisor	H.Y. Kao (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
	Executive Director	T.H. Chang	1,129,500	0.07
	Executive Director	Doris Wu	20,000	0.00
	Executive Director	Z.L. Wu	424,000	0.03
	Executive Director	C.K. Chang	341,500	0.02
	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

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	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	Peter Hsu (ACC Representative)	595,576,603	99.99
	Director	Doris Wu (ACC Representative)	595,576,603	99.99
	Director	T.M. Chen (ACC Representative)	595,576,603	99.99
	Director	H.Y. Kao (ACC Representative)	595,576,603	99.99
	Director	H.T. Peng (ACC Representative)	595,576,603	99.99
	Supervisor	Karen Yang (Asia Investment Corp. Representative)	5,401	0.00
YA LI TRANSPORTATION CORP.	Chairman	Y.F. Chang (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	President	K.M. Fu	0	0.00
	Director	Z.P. Chang (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	C.H. Chung (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	C.H. Chen (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	C.F. Cheng (ACC Representative)	16,241,083	83.81
	Director	Peter Hsu (ACC Representative)	16,241,083	83.81
	Director	Lin Kuo (ACC Representative)	16,241,083	83.81
	Director	T.L. Yu (ACC Representative)	16,241,083	83.81
	Director	C.H. Chen (ACC Representative)	16,241,083	83.81
	Supervisor	Dana Lee (FEGC Representative)	3,105,647	16.03
YA TUNG READY-MIXED CONCRETE CORP.	Chairman	K.Y. Lee (ACC Representative)	159,067,779	99.99
	President	C.P. Chen	0	0.00
	Director	Peter Hsu	156	0.00
	Director	Y.F. Chang (ACC Representative)	159,067,779	99.99
	Director	W.K. Chou (ACC Representative)	159,067,779	99.99
	Director	C.M. Chen (ACC Representative)	159,067,779	99.99
	Supervisor	Doris Wu (Asia Investment Corp. Representative)	5,782	0.00
	Supervisor	H.Y. Kao (Asia Investment Corp. Representative)	5,782	0.00
ASIA INVESTMENT CORP.	Chairman	Peter Hsu (ACC Representative)	222,039,596	100.00
	Director	Doris Wu (ACC Representative)	222,039,596	100.00
	Director	H.T. Peng (ACC Representative)	222,039,596	100.00
	Director	H.Y. Kao (ACC Representative)	222,039,596	100.00
	Director	T.M. Chen (ACC Representative)	222,039,596	100.00
	Supervisor	Karen Yang (ACC Representative)	222,039,596	100.00
CHIAHUI POWER CORP.	Chairman	Douglas Tong Hsu (ACC Representative)	280,093,521	59.59
	President	C.L. Chen	0	0.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Peter Hsu (ACC Representative)	280,093,521	59.59
	Director	K.Y. Lee (ACC Representative)	280,093,521	59.59
	Director	Michihide Kita (J-Power Investment Netherlands B.V. Representative)	187,854,807	39.97
	Director	Takashi Jahana (J-Power Investment Netherlands B.V. Representative)	187,854,807	39.97
	Independent Director	S.Y. Su	0	0.00
	Independent Director	M.Z. Jiang	0	0.00
	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
PERFECT INDUSTRIAL HOLDINGS PTE. LTD.	Director	Douglas Tong Hsu	0	0.00
	Director	Doris Wu	0	0.00
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)	1,294,270	99.56
	Director / President	Z.P. Chang (Der Ching Investment Corp. Representative)	1,294,270	99.56
	Director	Peter Hsu (Der Ching Investment Corp. Representative)	1,294,270	99.56

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	C.M. Chen (Der Ching Investment Corp. Representative)	1,294,270	99.56
	Director	Manfred Wang (Der Ching Investment Corp. Representative)	1,294,270	99.56
	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	Doris Wu (Der Ching Investment Corp. Representative)	19,600,000	100.00
	Director	H.Y. Kao (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	Doris Wu (Der Ching Investment Corp. Representative)	19,600,000	100.00
	Director	H.Y. Kao (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	Doris Wu (Der Ching Investment Corp. Representative)	10,000,000	100.00
	Director	H.Y. Kao 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	Doris Wu (Der Ching Investment Corp. Representative)	10,000,000	100.00
	Director	H.Y. Kao 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
	Director	Doris Wu (Der Ching Investment Corp. Representative)	19,400,000	100.00
	Director	H.Y. Kao (Der Ching Investment Corp. Representative)	19,400,000	100.00
YA LI PRECAST CONCRETE INDIA PVT. LTD.	Chairman	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

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	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
PT YATUNG CONCRETE INTERNATIONAL	Chairman	C.P. Chen (Ya Tung Ready-Mixed Concrete Corp. Representative)	*USD 1,980	99.00
	Director	P.R. Chen (Ya Tung Ready-Mixed Concrete Corp. Representative)	*USD 1,980	99.00
	Director	Karen Yang (Ya Tung Ready-Mixed Concrete Corp. Representative)	*USD 1,980	99.00
	Supervisor	H.Y. Kao (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*USD 20	1.00
YATUNG VIETNAM CO. LTD.	Manager	C.P. Chen	0	0.00
YA SING READY-MIXED CONCRETE CORP.	Chairman	C.P. Chen (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	C.H. Chung (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director	P.R. Chen (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director	W.B. Lin (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
	Director	J.B. Zhuo (Lien Fang Enterprise Corp.Ltd. Representative)	500,000	5.00
	Director	T.Y. Huang (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

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Supervisor	H.Y. Kao (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	Doris Wu (Asia Investment Corp. Representative)	11,415,000	100.00
	Director	H.Y. Kao (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	Doris Wu (Asia Investment Corp. Representative)	66,550,000	100.00
	Director	H.Y. Kao (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	Doris Wu (Asia Investment Corp. Representative)	18,500,000	100.00
	Director	H.Y. Kao (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	Doris Wu (Asia Investment Corp. Representative)	10,000,000	100.00
	Director	H.Y. Kao (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	Doris Wu (Asia Investment Corp. Representative)	9,510,000	100.00
	Director	H.Y. Kao (Asia Investment Corp. Representative)	9,510,000	100.00
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	Soon Heng Leong	0	0.00
ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD.	Chairman	Douglas Tong Hsu	4,000	0.00
	Director	Peter Hsu	0	0.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	R.H. Shao	1,000	0.00
	Director	Doris Wu	0	0.00
	Director	Soon Heng Leong	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	C.L. Lai	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	J.B. Yu (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	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	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
	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	Ping Shen (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

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	President	W.F. Hsu	0	0.00
	Director	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	J.F. Jiang	*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 / President	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 130,407	100.00
	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
	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	L.C. Lee	*USD 0	0.00
	Director	Z.L. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	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 YALI CEMENT PRODUCTS CO., LTD.	Chairman	W.K. Chou (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
	President	J.B. Yu	*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
	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

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
SICHUAN YALI CONCRETE PRODUCE CO., LTD.	Chairman	Z.X. Yang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	President	L.C. Lee	*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	Y.H. Lu	*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	J.B. Yu	*USD 0	0.00
	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

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Z.S. Lee (Oriental Holdings Co., Ltd. Representative)	*USD 3,553	10.00
	Supervisor	C.H. Chen (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
	President	L. Tian	*USD 0	0.00
	Director	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
	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

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	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	J.G. Chang	*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
	Director	Doris Wu	*RMB 0	0.00
	Supervisor	L.C. Lian (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,499	51.99

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
NANCHANG YADONG CEMENT CO., LTD.	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	J.G. Chang (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	Y.S. Yao (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
TAIZHOU YADONG BUILDING MATERIAL CO., LTD.	Chairman	S.J. Lin (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	President	J.B. Yu	*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	Doris Wu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	President	X.M. Guo	*RMB 0	0.00
	Director	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	L.H. Fang (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	T.L. Yu (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	Doris Wu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	President	X.M. Guo	*RMB 0	0.00
	Director	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

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Z.L. Wu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	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	L.H. Fang (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	Director	T.L. Yu (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	C.H. He	*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	W.Y. Liu	*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

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Supervisor	J.S. Lee (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

Book closure date: 31 December 2018

No.	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)
1	FU MING TRANSPORTATION CO., LTD.	295,695	1,827,797	406,664	1,421,133	1,075,648	74,792	197,110	6.67
2	YUAN LONG STAINLESS STEEL CORP.	2,000,000	6,780,487	4,976,966	1,803,521	5,676,843	118,430	124,872	0.62
3	SUNRISE INDUSTRIAL HOLDINGS LTD.	2,909	130,125	78,241	51,884	0	(88)	3,442	38.24
4	NAN HWA CEMENT CORP.	261,440	765,381	551,051	214,330	411,030	45,106	(109,869)	(4.20)
5	ASIA ENGINEERING ENTERPRISE CORP.	81,144	289,379	167,320	122,059	43,873	12,062	41,576	5.12
6	ASIA CEMENT (CHINA) HOLDINGS CO.	634,911	82,463,685	28,500,390	53,963,295	0	(311,144)	11,000,630	7.02
7	ASIA CEMENT (SINGAPORE) PTE. LTD.	250,425	4,395,467	823,451	3,572,016	758,881	(6,382)	420,624	40.06
8	DER CHING INVESTMENT CORP.	5,956,218	18,447,604	5,974,803	12,472,801	294,639	285,713	452,716	0.76
9	YA LI TRANSPORTATION CORP.	100,000	474,544	21,444	453,100	164,301	(195)	13,760	1.38
10	YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP.	193,776	259,428	308,543	(49,115)	282,180	48,535	37,302	1.93
11	YA TUNG READY-MIXED CONCRETE CORP.	1,590,750	4,462,680	2,905,417	1,557,263	8,162,392	(29,065)	(43,827)	(0.28)
12	ASIA INVESTMENT CORP.	2,220,396	10,096,316	8,149,698	1,946,618	292,636	292,153	81,038	0.36
13	CHIAHUI POWER CORP.	4,700,000	13,929,305	4,700,337	9,228,968	6,682,384	1,205,596	871,315	1.85
14	FU DA TRANSPORTATION CO., LTD.	279,279	1,162,004	420,953	741,051	913,566	98,841	104,118	3.73
15	PERFECT INDUSTRIAL HOLDINGS PTE. LTD.	287,616	66,419,613	0	66,419,613	0	(54)	12,023,058	1,281.87
16	ORIENTAL CONCRETE PTE. LTD.	380,630	260,138	909	259,229	10,815	3,235	4,538	0.27
17	FU SHAN MINERAL STONE CO.,LTD.	13,000	78,300	43,502	34,798	30,985	1,150	442	0.34
18	KOWLOON CEMENT CORP. LTD.	93,150	888,613	1,252	887,361	42,681	(8,493)	(40,252)	(17.50)
19	AC MEGA INVESTMENT LTD.	579,926	455,841	0	455,841	0	(108)	15,498	0.79
20	AC LEAP INVESTMENT LTD.	579,439	507,038	0	507,038	0	(108)	19,267	0.98
21	AC MEGA II INVESTMENT LTD.	289,050	243,207	0	243,207	0	(103)	9,642	0.96
22	AC MEGA III INVESTMENT LTD.	289,050	276,156	0	276,156	0	(103)	8,336	0.83

No.	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)
23	AC MEGA IV INVESTMENT LTD.	575,055	596,683	142	596,541	0	(246)	13,399	0.69
24	YA LI PRECAST CONCRETE INDIA PVT. LTD.	8,338	8,502	6,277	2,225	0	(821)	(838)	Note 1
25	ASIA ORIENTAL (GUAM) L.L.C	242,046	52,225	56	52,169	941	(706)	(36,179)	Note 1
26	PT YATUNG CONCRETE INTERNATIONAL CORP.	62,060	53,123	4,170	48,953	2,445	(5,432)	(5,390)	Note 1
27	YATUNG VIETNAM CO., LTD.	201,823	245,639	37,210	208,429	144,254	14,474	17,402	Note 1
28	YA SING READY-MIXED CONCRETE CORP.	100,000	276,614	179,011	97,603	660,224	12,215	9,460	0.95
29	ASIA CEMENT EXPLORER INVESTMENT LTD.	334,065	142,357	0	142,357	0	(108)	3,350	0.29
30	ASIA CEMENT PIONEER INVESTMENT LTD.	2,039,879	1,817,131	58,241	1,758,890	0	(108)	61,107	0.92
31	ASIA CEMENT PIONEER II INVESTMENT LTD.	544,135	521,076	0	521,076	0	(103)	19,715	1.07
32	ASIA CEMENT PIONEER III INVESTMENT LTD.	289,050	224,136	0	224,136	0	(103)	8,708	0.87
33	ASIA CEMENT PIONEER IV INVESTMENT LTD.	286,263	261,126	0	261,126	0	(103)	9,877	1.04
34	ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD.	8,857,490	21,209,250	142	21,209,108	0	(252)	5,196,752	15.67
35	ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD.	23,436,114	45,191,316	146	45,191,170	0	(7,287)	6,820,093	9.73
36	KOWLOON CONCRETE CORP. LTD.	39	128,415	230	128,185	1,539	(6,552)	(2,958)	(295.82)
37	JOIN FORTUNE TRADING LTD.	90,038	19,485	747	18,738	0	(96)	(12,528)	(4.20)
38	PEREZ-AOG, L.L.C.	294,384	191,855	166,862	24,993	280,911	(53,649)	(57,030)	Note 1
39	JIANGXI YADONG CEMENT CO., LTD.	10,919,929	28,452,458	3,503,683	24,948,775	22,103,150	7,957,429	6,228,087	Note 1
40	HUANGGANG YADONG CEMENT CO., LTD.	2,642,403	5,848,144	556,833	5,291,311	3,573,301	1,295,687	1,034,790	Note 1
41	WUHAN YADONG CEMENT CO., LTD.	1,108,233	2,901,520	309,775	2,591,745	2,463,464	(15,713)	113,198	Note 1
42	ORIENTAL HOLDINGS CO., LTD.	3,998,931	8,946,495	11,008	8,935,487	0	(3,006)	1,341,584	Note 1
43	CHENGDU YA LI CEMENT PRODUCTS CO., LTD.	125,727	384,239	79,790	304,449	316,071	34,940	50,460	Note 1
44	SHANGHAI YAFU CEMENT PRODUCTS CO., LTD. (Note 3)	77,889	0	0	0	0	(928)	775	Note 1
45	SHANGHAI YALI CEMENT PRODUCTS CO., LTD.	459,975	273,765	272,957	808	40,839	(94,028)	(140,128)	Note 1

No.	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)
46	SICHUAN YALI CONCRETE PRODUCE CO., LTD.	101,195	554,150	393,654	160,496	497,832	54,330	68,608	Note 1
47	SICHUAN YALI TRANSPORT CO., LTD.	107,328	233,580	57,881	175,699	383,736	5,341	7,299	Note 1
48	YANGZHOU YADONG CEMENT CO., LTD.	1,089,527	2,406,382	768,100	1,638,282	3,637,851	130,189	149,784	Note 1
49	SICHUAN YADONG CEMENT CO., LTD.	11,295,146	21,947,900	2,578,482	19,369,418	8,742,505	2,545,892	3,549,051	Note 1
50	HUBEI YADONG CEMENT CO., LTD.	4,746,942	12,389,242	1,583,016	10,806,226	7,214,846	1,985,914	1,327,089	Note 1
51	NANCHANG YALI CONCRETE PRODUCE LTD.	268,083	957,981	135,201	822,780	853,289	101,979	77,635	Note 1
52	JIANGXI YALI TRANSPORT CO., LTD.	55,851	193,855	39,952	153,903	317,428	31,292	23,481	Note 1
53	NANCHANG YADONG CEMENT CO., LTD.	402,124	876,024	99,006	777,018	1,273,843	143,981	115,076	Note 1
54	WUHAN YALI CEMENT PRODUCTS CO., LTD.	268,083	606,663	306,400	300,263	830,091	73,132	69,378	Note 1
55	TAIZHOU YADONG BUILDING MATERIAL CO., LTD.	490,640	946,441	606,976	339,465	905,362	19,256	(5,352)	Note 1
56	SICHUAN LANFENG BUILDING MATERIALS CO., LTD.	89,361	64,916	155,839	(90,923)	0	(2,642)	4,403	Note 1
57	SICHUAN LANFENG CEMENT CO., LTD.	2,680,826	7,546,010	3,366,747	4,179,263	6,103,689	1,861,993	1,468,531	Note 1
58	HUBEI YALI TRANSPORT CO., LTD.	58,085	93,971	11,836	82,135	124,653	(4,175)	(2,025)	Note 1
59	WUHAN YAXIN CEMENT CORP. LTD.	402,124	2,023,623	539,321	1,484,302	1,702,690	328,777	235,950	Note 1

Note 1: The subsidiaries in China or overseas are limited liability companies; therefore it's not able to count earnings per share.

Note 2: The data in Balance Sheet are converted according to the exchange rate at the end of 2018(USD：30.665；SGD：22.39；RMB：4.468044；HKD：3.891；INR：0.4398；VND：0.00095；IDR：0.00178); the data in Income Statement are converted according to the 2018 average exchange rate (USD：30.1493；SGD：22.3525；RMB：4.544796；HKD：3.8463；INR：0.4409；VND：0.001187；IDR：0.00213).

Note 3: The SHANGHAI YAFU CEMENT PRODUCTS CO., LTD. was disposed in July 2018.

◎**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 7,18,24, 41 in consolidated financial report.

◎**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, 2018 and 2017 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, 2018 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 did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

ASIA CEMENT CORPORATION

By

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DOUGLAS TONG HSU
Chairman

March 21, 2019

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Cement Corporation

Opinion

We have audited the accompanying consolidated financial statements of Asia Cement Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies(collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance 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 and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2018 are stated as follows:

Estimated Impairment of Trade Receivables

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash flows are less than expected, a material impairment loss may arise. Refer to Notes 5 and 13. Because the key assumptions and inputs used for measuring expected credit losses on trade receivables represent an area of significant judgement and uncertainty, we considered the estimated impairment of trade receivables as one of the key audit matters.

The corresponding audit procedures for estimated impairment of trade receivables are as follows:

1. We obtained an understanding and performed tests on management's estimation of impairment of trade receivables and of the design and execution of relevant internal controls.

2. We evaluated the reasonableness of allowance for impairment loss by testing the aging of trade receivables and by quantifying the potential risk on overdue balances at the balance sheet date.

3. We tested the recoverability of receivables by vouching cash receipts after the balance sheet date.

4. For amounts that were past due and not yet recovered, we evaluated the adequacy of allowance for impairment loss by understanding the customers' historical payment performance, any collateral pledged, and other abilities to repay the bills.

Fair Value Measurement of Investment Properties

The Group's investment properties are subsequently measured using the fair value model and valued by an independent qualified professional appraiser, a member of the ROC certified real estate appraisers. Refer to Notes 5 and 20. Because the valuation of investment properties represents an area of significant judgement and uncertainty, we considered the fair value measurement of investment properties as one of the key audit matters.

The corresponding audit procedures for fair value measurement of investment properties are as follows:

1. We assessed the competencies and independence of the appraiser engaged by management and obtained an understanding of the scope of the work and the process of engagement acceptance to evaluate the risk of impairment of the appraiser's independence and the limitation in the scope of the appraiser's work.

2. We obtained an understanding of and assessed the reasonableness of management's assumptions and methods used in valuation.

3. We tested samples of items from management's supporting documents, including the reasonableness of effective gross income, expenses, and ownerships of land and buildings used in the valuation process and reperformed the calculation of the fair value of investment properties.

Emphasis of Matter

The Group's investments in China Shanshui Cement Group Limited (CSCGL), which was previously recognized as financial assets at fair value through other comprehensive income, became qualified for the equity method of accounting and were therefore reclassified as investments accounted for using equity method in 2018. The Group reported a provisional amount of NT$2,789,881 thousand for the goodwill arising from the above transition during the measurement period as the goodwill was included in the carrying amounts of the Group's investment in CSCGL. The Group will engage outside specialists to provide assistance in measuring the identifiable net assets of CSCGL and the measurement will be completed within one year from the transition date. The provisional amounts will be adjusted retrospectively during the subsequent measurement period to reflect new information obtained from facts and circumstances that existed as of the transition date that, if known, would have affected the amounts recognized as of that date. Refer to Notes 8 and 18. Our opinion is not qualified in respect of this matter.

Other Matter

The financial statements of CSCGL, an associate accounted for using equity method, were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statements for CSCGL, is based solely on the reports of other auditors. As of December 31, 2018, the aggregate carrying value of the equity-method investments in CSCGL was NT$10,217,370 thousand, representing 4% of the consolidated total assets. For the year ended December 31, 2018, the share of profit or loss of CSCGL was NT$376,557 thousand, representing 2% of the consolidated income before income tax.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuo, Li Wen and Fan, Yu Wei.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2019

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, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

ASSETS	2018 Amount	2018 %	2017 Amount	2017 %
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 38)	$ 14,929,411	5	$ 7,739,492	3
Financial assets at fair value through profit or loss - current (Note 7)	9,046,583	3	322,080	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 40)	3,800,923	1	-	-
Available-for-sale financial assets - current (Notes 9 and 40)	-	-	7,805,406	3
Financial assets at amortized cost - current (Notes 6, 11, 38 and 40)	14,322,874	5	-	-
Contract assets - current (Note 33)	147,528	-	-	-
Debt investments with no active market - current (Notes 6, 12, 38 and 40)	-	-	4,380,928	2
Notes receivable				
Third parties	12,928,203	5	8,328,652	3
Trade receivables				
Third parties (Notes 13 and 14)	9,251,854	3	9,348,386	4
Related parties (Notes 13 and 38)	976,266	1	589,265	-
Other receivables (Notes 15 and 38)	2,964,751	1	3,042,831	1
Current tax assets (Note 33)	15,901	-	23,145	-
Inventories (Note 16)	9,804,276	4	6,572,982	3
Prepayments (Note 23)	1,684,612	1	1,675,449	1
Other current assets (Note 24)	485,324	-	434,086	-
Total current assets	80,358,506	29	50,262,702	20
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 18 and 40)	78,846,276	28	64,859,378	26
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 40)	9,784,743	4	-	-
Available-for-sale financial assets - non-current (Notes 9 and 40)	-	-	18,072,678	7
Financial assets at amortized cost - non-current (Notes 6, 11, 38 and 40)	14,642	-	-	-
Financial assets measured at cost - non-current (Note 10)	-	-	1,300,668	1
Debt investments with no active market - non-current (Notes 6, 12, 38 and 40)	-	-	150,549	-
Property, plant and equipment (Notes 19 and 40)	52,549,341	19	53,738,838	22
Investment properties (Notes 20 and 40)	35,965,203	13	35,745,411	14
Intangible assets (Notes 21 and 22)	3,694,783	1	4,552,561	2
Deferred tax assets (Note 33)	436,238	-	564,185	-
Finance lease receivables - non-current (Note 14)	8,894,355	3	9,566,585	4
Long-term prepayments for leases (Note 23)	3,779,353	1	3,814,315	2
Other non-current assets (Notes 24 and 38)	4,864,558	2	4,436,478	2
Total non-current assets	198,829,492	71	196,801,646	80
TOTAL	$ 279,187,998	100	$ 247,064,348	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 25 and 38)	$ 24,805,239	9	$ 18,410,863	7
Short-term bills payable (Note 26)	18,564,469	7	16,124,918	7
Financial liabilities at fair value through profit or loss - current (Note 7)	268,218	-	-	-
Contract liabilities - current (Note 33)	731,015	-	-	-
Accounts payable and accrued expenses				
Third parties	8,028,077	3	7,386,877	3
Related parties (Note 38)	250,857	-	272,360	-
Dividends and bonuses payable	231,722	-	205,046	-
Other payable - other (Note 27)	334,305	-	330,729	-
Current tax liabilities (Note 33)	2,181,268	1	1,155,972	1
Provisions - current (Note 30)	48,200	-	47,646	-
Customers' deposits and advances (Note 28)	-	-	748,214	-
Deferred revenue - current (Note 29)	75,912	-	68,085	-
Current portion of long-term liabilities (Notes 28 and 38)	7,285,012	2	9,197,457	4
Total current liabilities	62,804,294	22	53,948,167	22
NON-CURRENT LIABILITIES				
Bonds payable (Note 28)	12,192,567	5	10,000,000	4
Long-term borrowings (Notes 28 and 38)	33,593,896	12	27,277,821	11
Provisions - non-current (Notes 24, 30 and 41)	679,377	-	451,056	-
Deferred tax liabilities (Note 33)	9,365,429	4	8,100,162	3
Net defined benefit liabilities - non-current	185,107	-	193,291	-
Deferred revenue - non-current (Note 29)	923,805	-	858,838	1
Other non-current liabilities	395,177	-	438,649	-
Total non-current liabilities	57,335,358	21	47,319,817	19
Total liabilities	120,139,652	43	101,267,984	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 32)				
Share capital	33,614,472	12	33,614,472	14
Capital surplus	1,362,554	-	1,168,692	1
Retained earnings				
Legal reserve	15,615,380	6	15,068,480	6
Special reserve	63,945,145	23	63,001,957	25
Unappropriated earnings	20,358,461	7	16,125,837	7
Total retained earnings	99,918,986	36	94,196,274	38
Other equity	2,996,214	1	(1,543,873)	(1)
Total equity attributable to owners of the Corporation	137,892,226	49	127,435,565	52
NON-CONTROLLING INTERESTS (Note 32)	21,156,120	8	18,360,799	7
Total equity	159,048,346	57	145,796,364	59
TOTAL	$ 279,187,998	100	$ 247,064,348	100

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

(With Deloitte & Touche auditors' report dated March 21, 2019)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 33 and 38)	$ 82,741,004	100	$ 64,899,248	100
OPERATING COSTS (Notes 16, 33, 34 and 38)	61,584,690	74	54,728,230	85
GROSS PROFIT	21,156,314	26	10,171,018	15
UNREALIZED GROSS PROFIT ON SALES TO ASSOCIATES		-	(540)	-
REALIZED GROSS PROFIT ON SALES TO ASSOCIATES	15,147	-	-	-
REALIZED GROSS PROFIT	21,171,461	26	10,170,478	15
OPERATING EXPENSES				
Administrative expenses (Notes 34 and 38)	2,875,798	4	2,733,762	4
Expected credit loss (Note 13)	142,553	-	-	-
Total operating expenses	3,018,351	4	2,733,762	4
OPERATING INCOME	18,153,110	22	7,436,716	11
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 34)	1,479,803	2	1,040,658	2
Other gains and losses (Note 34)	(1,733,766)	(2)	(728,230)	(1)
Finance costs (Note 34)	(1,673,185)	(2)	(1,772,075)	(3)
Share of profit or loss of associates and joint ventures	4,144,156	5	2,522,090	4
Total non-operating income and expenses	2,217,008	3	1,062,443	2
INCOME BEFORE INCOME TAX	20,370,118	25	8,499,159	13
INCOME TAX EXPENSE (Note 35)	5,480,921	7	1,833,618	2
NET INCOME FOR THE YEAR	14,889,197	18	6,665,541	11

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME, NET				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	$ 707,605	1	$ -	-
Remeasurement of defined benefit plans	265,511	-	127,020	-
Share of other comprehensive income of associates and joint ventures	723,519	1	124,241	-
	1,696,635	2	251,261	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(894,761)	(1)	(1,017,135)	(1)
Unrealized gain on available-for-sale financial assets	-	-	4,092,288	6
Cash flow hedges	(2,434)	-	-	-
Share of other comprehensive income (loss) of associates and joint ventures	636,733	1	(1,206,875)	(2)
	(260,462)	-	1,868,278	3
Other comprehensive income for the year, net of income tax	1,436,173	2	2,119,539	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 16,325,370	20	$ 8,785,080	14
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 11,117,094	13	$ 5,469,007	8
Non-controlling interests	3,772,103	5	1,196,534	2
	$ 14,889,197	18	$ 6,665,541	10
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 12,811,353	16	$ 7,895,746	12
Non-controlling interests	3,514,017	4	889,334	2
	$ 16,325,370	20	$ 8,785,080	14
EARNINGS PER SHARE (Note 36)				
Basic	$3.54		$1.74	
Diluted	$3.49		$1.74	

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

(With Deloitte & Touche auditors' report dated March 21, 2019) (Concluded)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation														
							Other Equity								
	Capital Stock Issued			Retained Earnings											
	Shares	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gains on Property Revaluation	Cash Flow Hedges	Total Other Equity	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2017	3,361,447	$ 33,614,472	$ 1,167,881	$ 14,673,903	$ 62,119,922	$ 14,805,588	$ (44,313)	$ (4,023,554)	$ -	$ 307,728	$ 41,450	$ (3,718,689)	$ 122,663,077	$ 18,000,144	$ 140,663,221
Appropriation of 2016 earnings															
Legal reserve	-	-	-	394,577	-	(394,577)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	881,019	(881,019)	-	-	-	-	-	-	-	-	-
Cash dividends - $0.9 per share	-	-	-	-	-	(3,025,302)	-	-	-	-	-	-	(3,025,302)	-	(3,025,302)
Changes in capital surplus from investments in associates accounted for using equity method	-	-	811	-	-	-	-	-	-	-	-	-	811	-	811
Net profit for the year ended December 31, 2017	-	-	-	-	-	5,469,007	-	-	-	-	-	-	5,469,007	1,196,534	6,665,541
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	-	-	251,923	(2,593,840)	4,751,621	-	-	17,035	2,174,816	2,426,739	(307,200)	2,119,539
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(528,712)	(528,712)
Other changes in equity from investments in associates accounted for using equity method	-	-	-	-	1,016	(99,783)	-	-	-	-	-	-	(98,767)	33	(98,734)
BALANCE AT DECEMBER 31, 2017	3,361,447	33,614,472	1,168,692	15,068,480	63,001,957	16,125,837	(2,638,153)	728,067	-	307,728	58,485	(1,543,873)	127,435,565	18,360,799	145,796,364
Effect of retrospective application and retrospective restatement	-	-	-	-	-	1,713,459	-	(728,067)	516,962	-	-	(211,105)	1,502,354	4,810	1,507,164
BALANCE AT JANUARY 1, 2018, AS RESTATED	3,361,447	33,614,472	1,168,692	15,068,480	63,001,957	17,839,296	(2,638,153)	-	516,962	307,728	58,485	(1,754,978)	128,937,919	18,365,609	147,303,528
Appropriation of 2017 earnings															
Legal reserve	-	-	-	546,900	-	(546,900)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	943,188	(943,188)	-	-	-	-	-	-	-	-	-
Cash dividends - $1.2 per share	-	-	-	-	-	(4,033,736)	-	-	-	-	-	-	(4,033,736)	-	(4,033,736)
Equity component of convertible bonds issued by the Corporation	-	-	185,411	-	-	-	-	-	-	-	-	-	185,411	-	185,411
Changes in capital surplus from investments in associates accounted for using equity method	-	-	8,451	-	-	-	-	-	-	-	-	-	8,451	-	8,451
Net profit for the year ended December 31, 2018	-	-	-	-	-	11,117,094	-	-	-	-	-	-	11,117,094	3,772,103	14,889,197
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	351,764	(3,211)	-	1,343,257	-	2,449	1,342,495	1,694,259	(258,086)	1,436,173
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(723,504)	(723,504)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(3,408,697)	-	-	3,408,697	-	-	3,408,697	-	-	-
Other changes in equity from investments in associates accounted for using equity method	-	-	-	-	-	(17,172)	-	-	-	-	-	-	(17,172)	(2)	(17,174)
BALANCE AT DECEMBER 31, 2018	3,361,447	$ 33,614,472	$ 1,362,554	$ 15,615,380	$ 63,945,145	$ 20,358,461	$ (2,641,364)	$ -	$ 5,268,916	$ 307,728	$ 60,934	$ 2,996,214	$ 137,892,226	$ 21,156,120	$ 159,048,346

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

(With Deloitte & Touche auditors' report dated March 21, 2019)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 20,370,118	$ 8,499,159
Adjustments for:		
Depreciation expenses	4,649,561	4,839,940
Share of loss of associates and joint ventures	(4,144,156)	(2,522,090)
Finance costs	1,673,185	1,772,075
Dividend income	(770,314)	(616,680)
Impairment loss recognized on goodwill	630,631	-
Interest income	(370,571)	(179,840)
Reversal of impairment loss on (write-downs of) inventories	315,353	(4,401)
Amortization expenses	269,631	337,651
Net loss (gain) on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	256,294	(31,422)
Gain on disposal of financial assets	(251,859)	(393,588)
Impairment loss recognized on associates and joint ventures	200,245	122,619
Expected credit loss recognized on trade receivables	142,553	-
Gain on changes in fair value of investment properties	(98,015)	(216,580)
Impairment loss on property, plant and equipment	51,888	-
Gain on disposal of subsidiaries	(40,440)	-
Loss on disposal of property, plant and equipment	33,455	103,818
Unrealized (gain) loss on foreign exchange	(15,575)	419,217
Effect of changes in exchange rate of bonds payable	300	(7,470)
Impairment loss recognized on trade receivables	-	159,402
Loss on disposal of intangible assets	-	1,030
Gain on disposal of associates	-	(76)
Other items	(755)	4,949
Changes in operating assets and liabilities		
Financial assets held for trading	-	37,397
Financial assets mandatorily classified as at fair value through profit or loss	(3,051,110)	-
Contract assets	(44,533)	-
Notes receivable	(4,805,502)	(4,188,102)
Trade receivables	525,258	596,114
Other receivables	(487,332)	(365,498)
Inventories	(3,566,055)	278,234
Prepayments	(31,307)	(810,951)
Other current assets	(74,718)	12,784
Contract liabilities	(20,934)	-
Accounts payable and accrued expenses	(640,964)	496,543
Provisions	176,021	153,618
Customers' deposits and advances	-	41,831
Net defined benefit liabilities	(12,254)	(1,661)
Deferred revenue	(68,085)	(68,085)
Cash generated from operations	10,800,014	8,469,937
Interests received	254,393	191,079
Dividends received	3,172,662	2,298,195

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
Interests paid	$ (1,658,691)	$ (1,731,570)
Income tax paid	(3,304,318)	(1,088,593)
Net cash generated from operating activities	9,264,060	8,139,048
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(9,537,968)	-
Acquisition of property, plant and equipment	(4,274,600)	(1,157,324)
Acquisition of financial assets at fair value through other comprehensive income	(556,016)	-
Acquisition of associates	(123,120)	(16,024)
Proceeds from disposal of property, plant and equipment	90,395	150,935
Increase in long-term prepayments for investment	(83,721)	(1,954,754)
Proceeds from disposal of subsidiaries	48,391	-
Acquisition of intangible assets	(13,037)	(13,608)
Increase in refundable deposits	(9,678)	(711,225)
Decrease in other non-current assets	1,559	2,950
Acquisition of investment properties	(1,269)	(48,967)
Acquisition of available-for-sale financial assets	-	(6,799,317)
Proceeds from sale of available-for-sale financial assets	-	5,689,530
Increase in debt investments with no active market	-	(2,037,434)
Proceeds from capital reduction of investments accounted for using equity method	-	115,631
Increase in prepayments for leases	-	(27,997)
Proceeds from capital reduction of available-for-sale financial assets	-	16,880
Proceeds from capital reduction of financial assets at cost	-	5,841
Net cash inflow on disposal of associates	-	86
Net cash used in investing activities	(14,459,064)	(6,784,797)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	34,819,996	33,917,158
Repayments of long-term borrowings	(30,396,615)	(34,878,734)
Proceeds from issuance of bonds	6,574,843	-
Increase (decrease) in short-term borrowings	6,445,333	(300,971)
Repayments of bonds	(4,089,430)	-
Dividends paid	(4,033,715)	(3,025,272)
Increase in short-term bills payable	2,439,125	4,094,700
Change of non-controlling interests	723,504	(528,712)
Decrease in other non-current liabilities	(59,096)	(63,285)
Increase in guarantee deposits received	14,691	5,561
Net cash generated from (used in) financing activities	12,438,636	(779,555)

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	$ (53,713)	$ (285,210)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,189,919	289,486
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,739,492	7,450,006
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 14,929,411	$ 7,739,492

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

(With Deloitte & Touche auditors' report dated March 21, 2019) (Concluded)

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 have 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, 2018, the issued and outstanding GDSs aggregated 17,072 units, representing 170,717 shares of the Corporation.

As of December 31, 2018 and 2017, the Corporation and its subsidiaries (collectively, the "Group") had 5,878 and 6,004 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 21, 2019.

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

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies:

1) IFRS 9 "Financial Instruments" and related amendments

IFRS 9 supersedes IAS 39 "Financial Instruments: Recognition and Measurement", with consequential amendments to IFRS 7 "Financial Instruments: Disclosures" and other standards. IFRS 9 sets out the requirements for classification, measurement and impairment of financial assets and hedge accounting. Refer to Note 4 for information relating to the relevant accounting policies.

Classification, measurement and impairment of financial assets

On the basis of the facts and circumstances that existed as of January 1, 2018, the Group has performed an assessment of the classification of recognized financial assets and has elected not to restate prior reporting periods.

The following table shows the original measurement categories and carrying amount under IAS 39 and the new measurement categories and carrying amount under IFRS 9 for each class of the Group's financial assets and financial liabilities as of January 1, 2018.

	Measurement Category		Carrying Amount		
Financial Assets	**IAS 39**	**IFRS 9**	**IAS 39**	**IFRS 9**	**Remark**
Cash and cash equivalents	Loans and receivables	Amortized cost	$ 7,739,492	$ 7,739,492	-
Equity securities	Held- for- trading	Mandatorily at fair value through profit or loss (FVTPL)	69,039	69,039	-
	Held- for- trading	Fair value through other comprehensive income (FVTOCI) - equity instruments	9,555	9,555	a)
	Available- for- sale	Mandatorily at FVTPL	4,055,199	4,055,199	b)
	Available- for- sale	FVTOCI - equity instruments	21,546,015	21,884,158	b)
Mutual funds	Held- for- trading	Mandatorily at FVTPL	243,486	243,486	-
	Available- for- sale	Mandatorily at FVTPL	1,205,078	1,205,078	c)
Debt securities	Available- for- sale	Mandatorily at FVTPL	372,460	372,460	d)
Time deposits with original maturities of more than 3 months	Loans and receivables	Amortized cost	4,531,477	4,531,477	-
Notes receivable, trade receivables and other receivables (including related parties)	Loans and receivables	Amortized cost	21,309,134	21,309,134	-

Financial Assets	**IAS 39 Carrying Amount as of January 1, 2018**	**Reclassifi-cations**	**Remeasure-ments**	**IFRS 9 Carrying Amount as of January 1, 2018**	**Retained Earnings Effect on January 1, 2018**	**Other Equity Effect on January 1, 2018**	**Remark**
FVTPL	$ 322,080	$ -	$ -	$ 322,080	$ -	$ -	
Add: Reclassification from available-for-sale (IAS 39) - required reclassification	-	5,632,737	-	5,632,737	59,525	(59,525)	b), c) and d)
Less: Reclassification to FVTOCI - equity instruments (IFRS 9)	-	(9,555)	-	(9,555)	-	-	a)
	322,080	5,623,182	-	5,945,262	59,525	(59,525)	
FVTOCI							
Equity instruments	-	-	-	-	-	-	
Add: Reclassification from FVTPL (IAS 39)	-	9,555	-	9,555	(4,708)	4,708	a)
Add: Reclassification from available-for-sale (IAS 39)	-	21,546,015	338,143	21,884,158	860,641	(522,498)	b)
	-	21,555,570	338,143	21,893,713	855,933	(517,790)	
	$ 322,080	$ 27,178,752	$ 338,143	$ 27,838,975	$ 915,458	$ (577,315)	

a) The Group elected to designate some of its investments in equity securities previously classified as FVTPL under IAS 39 as at FVTOCI under IFRS 9, because these investments are not held for trading. The retrospective adjustment resulted in an increase of NT$4,708 thousand in other equity - unrealized gain (loss) on financial assets at FVTOCI and a decrease of NT$4,708 thousand in retained earnings on January 1, 2018.

b) The Group elected to classify its investments in equity securities previously classified as available-for-sale under IAS 39 as partly at FVTPL and partly at FVTOCI under IFRS 9. As a result, the related other equity - unrealized gain (loss) on available-for-sale financial assets was reclassified to retained earnings in the amount of NT$90,263 thousand and to other equity - unrealized gain (loss) on financial assets at FVTOCI in the amount of NT$1,704,035 thousand.

Investments in unlisted shares previously measured at cost under IAS 39 have been designated as at FVTOCI under IFRS 9 and were remeasured at fair value. Consequently, an increase of NT$338,143 thousand was recognized in both financial assets at FVTOCI and other equity - unrealized gain (loss) on financial assets at FVTOCI on January 1, 2018.

The Group recognized impairment loss under IAS 39 on certain investments in equity securities measured at cost and the loss was accumulated in retained earnings. Since those investments were designated as at FVTOCI under IFRS 9 and no impairment assessment is required, an adjustment was made that resulted in a decrease of NT$860,641 thousand in other equity - unrealized gain (loss) on financial assets at FVTOCI and an increase of NT$860,641 thousand in retained earnings on January 1, 2018.

c) Mutual funds previously classified as available-for-sale under IAS 39 were classified mandatorily as at FVTPL under IFRS 9, because the contractual cash flows were not solely payments of principal and interest on the principal outstanding and they were not equity instruments. The retrospective adjustment resulted in a decrease of NT$51,696 thousand in other equity - unrealized gain (loss) on available-for-sale financial assets and an increase of NT$51,696 thousand in retained earnings on January 1, 2018.

d) Debt investments previously classified as available- for- sale financial assets under IAS 39 were classified as at FVTPL under IFRS 9, because on January 1, 2018, the contractual cash flows were not solely payments of principal and interest on the principal outstanding. As a result of retrospective application, the related adjustments comprised an increase in other equity - unrealized gain (loss) on available- for- sale financial assets of NT$82,434 thousand and a decrease in retained earnings of NT$82,434 thousand on January 1, 2018.

	IAS 39 Carrying Amount as of January 1, 2018	Adjustments Arising from Initial Application	IFRS 9 Carrying Amount as of January 1, 2018	Retained Earnings Effect on January 1, 2018	Other Equity Effect on January 1, 2018	Remark
Investments accounted for using equity method	$ 64,859,378	$ 563,935	$ 65,423,313	$ 192,915	$ 366,210	e)

e) As a result of the associates' retrospective application of IFRS 9, there was an increase in investments accounted for using equity method of NT$563,935 thousand, an increase in other equity - unrealized gain (loss) on financial assets at FVTOCI of NT$366,210 thousand and an increase in retained earnings of NT$192,915 thousand on January 1, 2018.

2) IFRS 15 "Revenue from Contracts with Customers" and related amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers and supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. Refer to Note 4 for related accounting policies.

The impact on assets, liabilities and equity of retrospective application of IFRS 15 on January 1, 2018 is detailed below:

	Carrying Amount as of January 1, 2018	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2018
Impact on assets, liabilities and equity			
Investments accounted for using equity method	$ 64,859,378	$ 605,086	$ 65,464,464
Unappropriated earnings	$ 16,125,837	$ 605,086	$ 16,730,923

b. Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC for application starting from 2019

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 "Prepayment Features with Negative Compensation"	January 1, 2019 (Note 2)
IFRS 16 "Leases"	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019 (Note 3)
Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"	January 1, 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019

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 FSC permits the election for early adoption of the amendments starting from 2018.

Note 3: The Group shall apply these amendments to plan amendments, curtailments or settlements occurring on or after January 1, 2019.

1) IFRS 16 "Leases"

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17, IFRIC 4 and a number of related interpretations.

Definition of a lease

Upon initial application of IFRS 16, the Group will elect to apply IFRS 16 only to contracts entered into or changed on or after January 1, 2019 and identified as lease contracts or contracts that contain a lease under IFRS 16. Contracts identified as containing a lease under IAS 17 and IFRIC 4 will not be reassessed and will be accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

Upon initial application of IFRS 16, the Group will recognize on the consolidated balance sheets right-of-use assets and lease liabilities for all leases except low-value and short-term leases whose payments will be recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities. Prepaid lease payments for land use rights of land located in mainland China, Hong Kong, Singapore and Vietnam are recognized as prepayments for leases. Cash flows for operating leases are classified within operating activities on the consolidated statements of cash flows.

The Group will apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

Lease liabilities for leases currently classified as operating leases under IAS 17 will be recognized on January 1, 2019. Lease liabilities will be measured at the present value of the remaining lease payments, discounted at the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets will be measured at an amount equal to the lease liabilities. The Group will apply IAS 36 to all right-of-use assets.

The Group expects to apply the following practical expedients:

a) The Group will apply a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

b) The Group will use hindsight, such as in determining lease terms, to measure lease liabilities.

The Group as lessor

The Group will not make any adjustments to leases in which it is the lessor and will account for those leases under IFRS 16 starting from January 1, 2019.

Anticipated impact on assets, liabilities and equity

	Carrying Amount as of December 31, 2018	**Adjustments Arising from Initial Application**	**Adjusted Carrying Amount as of January 1, 2019**
Right-of-use assets	$ -	$ 1,156,091	$ 1,156,091
Prepayments for leases - current	142,246	(29,087)	113,159
Prepayments for leases - non-current	3,779,353	(351,685)	3,427,668
Total effect on assets	$ 3,921,599	$ 775,319	$ 4,696,918
Lease liabilities - current	$ -	$ 168,998	$ 168,998
Lease liabilities - non-current	-	606,321	606,321
Total effect on liabilities	$ -	$ 775,319	$ 775,319

2) IFRIC 23 "Uncertainty over Income Tax Treatments"

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Group should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Group should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Group should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the Group expects to better predict the resolution of the uncertainty. The Group has to reassess its judgments and estimates if facts and circumstances change.

Except for the above impacts, as of the date the consolidated financial statements were authorized for issue, the Group assessed that the application of the aforementioned amendments would not have any material impact on the Group's financial position and financial performance.

c. New amended and revised standards and interpretations in issue but not yet endorsed and issued into effect by the FSC (collectively, the "New IFRSs")

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 2)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

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 Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of the above 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 and issued into effect by the FSC.

b. Basis of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, 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 an 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 an 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 12 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 12 months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

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

c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 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. 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 non-current according to the length of their operating cycles.

Basis of Consolidation

Principles for preparing consolidated financial statements

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 profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, 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.

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

Refer to Note 17, Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

Foreign Currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e. 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 from 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 cases, 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 translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, the functional currencies of the Group (including subsidiaries, associates, joint ventures and branches in other countries that use currencies which are different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are reclassified to profit or loss.

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. The 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 the weighted-average cost on the balance sheet date.

Investments in Associates and Joint Ventures

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

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of profit or loss and other comprehensive income of the associate and 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 net fair value of the identifiable assets and liabilities of an associate or a joint venture 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 net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

If the measurement of the fair values of the identifiable net assets and liabilities of an associate acquired in stage is incomplete by the end of the reporting period, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date.

When the Group subscribes for additional new shares of an associate and 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 and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and 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 using equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of an 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.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and 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 and the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required if that associate 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 the Group transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of unrelated parties' interests in the associate and joint venture.

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 methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Investment Properties

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

Investment properties are initially measured at cost, including transaction costs, and are subsequently measured using the fair value model. Changes in the fair value of investment properties are 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 and the carrying amount of the property at the date of transfer is recognized in other comprehensive income.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

Goodwill

Goodwill arising from the acquisition of a business is measured 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 goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit is tested for impairment before the end of the current annual period. 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 pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for 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.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

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 any 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.

The 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, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit 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 or cash-generating unit 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 the Group 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 an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) 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 FVTPL 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

2018

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

1) Financial assets at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified or it is designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured 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. Fair value is determined in the manner described in Note 37.

2) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a) The financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows; and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables, other receivables and debt instruments at amortized cost, are measured at amortized cost, which is the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

Cash equivalents include time deposits, bonds sold under repurchase agreements and commercial papers with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

3) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2017

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 such financial assets are held for trading.

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 dividends or interest earned on the financial asset. Fair value is determined in the manner described in Note 37.

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 37.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amounts 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 such investments are disposed of or are 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 measured 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 equivalents, 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 equivalents include time deposits, bonds sold under repurchase agreements and commercial papers with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are 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

2018

The Group recognizes allowance for expected credit loss (ECL) on financial assets at amortized cost (including trade receivables) as well as lease receivables at the end of each reporting period.

The Group's policy is to always recognize allowance for lifetime ECL on trade receivables. For all other financial instruments and lease receivables, the Group will recognize lifetime ECL when there is a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group will measure the allowance for loss on that financial instrument at an amount equal to 12-month ECL.

ECL is the weighted average of credit losses estimated by using assigned levels of risks of defaults occurring as the weights. Lifetime ECL represents the expected credit loss that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible to occur within 12 months after the reporting date.

Impairment loss on all financial instruments is recognized with a corresponding adjustment to their carrying amount through a loss allowance account.

2017

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 measured at amortized cost, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be 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 financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For any available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

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 is not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are measured 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 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 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.

Before 2018, 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 which had been recognized in other comprehensive income is recognized in profit or loss. Starting from 2018, on derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through 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 held for trading and are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on the financial liability. Fair value is determined in the manner described in Note 37.

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.

Convertible bonds

The component parts of compound instruments (i.e. convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the liability component are included in the carrying amount of the liability component. Transaction costs relating to the equity component are recognized directly in equity.

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 cross-currency swap contracts.

Derivatives are initially recognized at fair value at the date on which 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. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) 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 mixed contracts are not measured at FVTPL.

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.

Revenue Recognition

2018

The Group identifies the contract with the customers, identifies the performance obligations in the contract, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

When another party is involved in providing goods or services to a customer, the Group is a principal if it controls the specified good or service before that good or service is transferred to a customer; otherwise, the Group is acting as an agent. The principal recognizes revenue and costs associated with providing the goods or services at the gross amount, while an agent recognizes revenue at the net amount. When a specified good or service is a distinct good or service, the Group determines whether it is a principal or an agent for each specified good or service.

The Group is a principal if it obtains control of any one of the following:

a. Before the good or another asset transfers to the customer, the Group acquire the good or the control of asset from another party.

b. The right to a service to be performed by another party which gives the Group the ability to direct that party to provide the service to the customer on its behalf.

c. A good or service from another party that it then combines with other goods or services in providing a specified good or service to the customer.

Indicators to support the Group's assessment of whether it controls a specified good or service include, but are not limited to, the following:

a. The Group is primarily responsible for fulfilling the promise to provide the specified good or service.

b. The Group has inventory risk before or after the specified good or service is transferred to the customer.

c. The Group has discretion in establishing the price of the specified good or service.

2017

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. Allowances for sales returns and liabilities for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

a. Sale of goods

   Revenue from the sale of goods is recognized when 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 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 services.

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. 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.

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 of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain 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 carry forward 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 assets and liabilities 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 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 tax and deferred tax for the year

Current tax 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 tax 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, estimations 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 estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Estimated Impairment of Trade Receivables

In 2018

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 13.

In 2017

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.

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 appraisers for the application of appropriate valuation techniques for fair value measurements in accordance with related regulations or professional standards.

Where Level 1 inputs are not available, the engaged appraisers would determine appropriate inputs by referring to the analyses of the financial position and the operating results of the investees and valuation multiples of entities that are comparable with the investees of the Group's equity instruments not quoted in active markets or market prices or rates and specific features of the Group's derivatives or 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 Notes 8, 9, 20 and 37.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2018	**2017**
Checking accounts and demand deposits	$ 6,003,398	$ 4,452,440
Cash on hand	3,843	4,739
Petty cash	3,706	4,100
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	8,745,170	3,129,663
Repurchase agreements collateralized by bonds	173,294	148,550
	$ 14,929,411	$ 7,739,492

The market rate intervals of time deposits, repurchase agreements collateralized by bonds and commercial papers at the end of the reporting period were as follows:

	December 31	
	2018	**2017**
Time deposits	1.00%-4.80%	0.85%-6.00%
Repurchase agreements collateralized by bonds	0.52%-2.52%	2.04%

In 2018

As of December 31, 2018, the Group's bank deposits in the amounts of $169,139 thousand, which were restricted as collaterals for bank loans are classified as financial assets at amortized cost in the balance sheets. Time deposits with original maturities of more than 3 months in the amounts of $14,168,377 thousand as of December 31, 2018, are also classified as financial assets at amortized cost in the balance sheets. Refer to Note 11.

In 2017

As of December 31, 2017, the Group's bank deposits in the amounts of $228,560 thousand, which were restricted as collaterals for bank loans were classified as debt investments with no active market in the balance sheets. Time deposits with original maturities of more than 3 months in the amounts of $4,302,917 thousand as of December 31, 2017, were also classified as debt investments with no active market in the balance sheets. Refer to Note 12.

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

	December 31	
	2018	**2017**
Financial assets at FVTPL		
Financial assets held for trading		
Non-derivative financial assets		
Beneficiary certificates	$ -	$ 243,486
Listed stocks	-	78,594
	-	322,080
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Beneficiary certificates	5,543,595	-
Listed stocks	3,502,988	-
	9,046,583	-
	$ 9,046,583	$ 322,080
Financial liabilities at FVTPL		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Bond options (Note 28)	$ 223,501	$ -
Cross-currency swap contracts	44,717	-
	$ 268,218	$ -

The Group entered into cross-currency swap contracts to manage exposures to exchange rate fluctuations. The Group's financial hedging strategy is to avoid most of the cash flow risk exposure. At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
US$215,000	2021.09.15	-	2.68%-2.80%

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - 2018

	December 31, 2018	
	Current	Non-current
Domestic investments		
Listed stocks	$ 3,648,586	$ 8,125,426
Unlisted stocks	-	1,537,291
	3,648,586	9,662,717
Foreign investments		
Listed stocks	152,337	-
Unlisted stocks	-	122,026
	152,337	122,026
	$ 3,800,923	$ 9,784,743

a. These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes. These investments in equity instruments were classified as financial assets at fair value through profit or loss, available-for-sale financial assets and financial assets measured at cost under IAS 39. Refer to Notes 3, 7, 9 and 10 for information relating to their reclassification and comparative information for 2017.

b. The board of directors of China Shanshui Cement Group Limited (CSCGL) made an announcement on April 16, 2015 that the percentage of CSCGL's securities held by the public has fallen below the prescribed 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 the trading of CSCGL's securities until the percentage of securities in public hands satisfies the minimum requirement.

   On October 30, 2018, CSCGL's shareholders resolved to restore the minimum public float requirement of 25% by issuing new shares of 974,825,988 at HK$4.2 per share. Then CSCGL resumed its trading on the Exchange effective on October 31, 2018.

   The Group previously had a 22.50%-equity interest in CSCGL, which was reduced to 17.46% after the subscription mentioned above. However, the Corporation's chief financial officer, Mrs. Wu Ling-Ling, was elected to be the executive director of CSCGL since May 23, 2018. As CSCGL already addressed the audit issues raised by the Exchange and confirmed the potential dilution of shareholding in the Group's interests in CSCGL, the Group objectively demonstrated that it was able to exercise significant influence over CSCGL although the Group only holds less than 20% of the voting power. Accordingly, the Group's investment in CSCGL was reclassified from financial assets at fair value through other comprehensive income to investments accounted for using equity method using the closing price on the Exchange on October 31, 2018. Refer to Note 18.

c. Asia Cement Pioneer Investment Ltd. (ACP) acquired the stocks of Cementon Micronesia L.L.C. for US$3,900 thousand in September 2010. As of December 31, 2018, 50% of the investment consideration was not paid and accounted for as accounts payable and accrued expenses - third parties. The consideration will be paid once the counterparty asks for payment.

d. Refer to Note 40 for information relating to financial assets at fair value through other comprehensive income pledged as collaterals.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS-2017

	December 31, 2017	
	Current	Non-current
Domestic investments		
Listed stocks	$ 5,612,002	$ 8,401,959
Foreign investments		
Listed stocks	1,835,201	8,451,384
Mutual funds	358,203	846,875
Listed corporate bonds	-	372,460
	2,193,404	9,670,719
	$ 7,805,406	$ 18,072,678

As of December 31, 2017, trading of CSCGL's securities was still suspended and there was no quoted price in active markets. The Group engaged third party qualified appraisers for fair value measurement of CSCGL's securities as of December 31, 2017. According to the appraisal, the fair value per share was HK$2.82 as of December 31, 2017. For the year ended December 31, 2017, the net unrealized gain on CSCGL amounted to $2,898,200 thousand. As of December 31, 2017, the accumulated net unrealized loss on CSCGL amounted to $4,447,073 thousand. The Group considered that the decline in fair value is temporary and thus recognized the changes in fair value in other comprehensive income (loss) and other equity.

Refer to Note 40 for information relating to available-for-sale financial assets pledged as collaterals.

10. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT-2017

	December 31, 2017
Domestic unlisted stocks	
Far Eastern International Leasing Corp.	$ 602,814
Ding Shen Investment Co., Ltd.	396,000
Kaohsiung Rapid Transit Corp. (KRT)	87,448
Yi Tong Fiber Co., Ltd.	41,691
Ding Ding Hotel Corp. (DDH)	-
Others	50,690
Overseas unlisted stocks	
Cementon Micronesia L.L.C.	121,914
Others	111
	$ 1,300,668
Classified according to financial asset measurement categories	
Available-for-sale financial assets	$ 1,300,668

a. Management believed that the fair value of the above unlisted equity investments held by the Group cannot be reliably measured, because the range of reasonable fair value estimates was so significant. Therefore, they were measured at cost less impairment at the end of reporting period.

b. On June 30, 2013, the Corporation invested $107,290 thousand in KRT. The investment cost is amortized over the period of the chartered right to operate (to October 2037). As of December 31, 2017, the accumulated amortization amount is $19,842 thousand.

c. As of December 31, 2017, the Group recognized impairment loss on the full amount of its investment in DDH.

11. FINANCIAL ASSETS AT AMORTIZED COST - 2018

	December 31, 2018
Time deposits with original maturities of more than 3 months	$ 14,168,377
Restricted assets	169,139
	$ 14,337,516
Current	$ 14,322,874
Non-current	$ 14,642

Based on the Group's assessment, the credit risk of these financial assets is not expected to be high and has not increased since initial recognition.

These debt investments were classified as debt investments with no active market under IAS 39. Refer to Notes 3, and 12 for information relating to their reclassification and comparative information for 2017.

Refer to Note 40 for information relating to financial assets at amortized cost pledged as collaterals.

12. DEBT INVESTMENTS WITH NO ACTIVE MARKET - 2017

	December 31, 2017
Time deposits with original maturities of more than 3 months	$ 4,302,917
Restricted assets	228,560
	$ 4,531,477
Current	$ 4,380,928
Non-current	150,549
	$ 4,531,477

Refer to Note 40 for information relating to debt investments with no active market pledged as collaterals.

13. TRADE RECEIVABLES

	December 31	
	2018	2017
Trade receivables		
Trade receivables - sales	$ 10,322,875	$ 9,802,045
Finance lease receivable - current (Note 14)	672,230	624,604
Construction receivable	105,262	259,572
Operating lease receivable	12,438	12,544
Less: Allowance for impairment loss - sales	(884,685)	(760,036)
Less: Allowance for impairment loss - construction	-	(1,078)
	$ 10,228,120	$ 9,937,651

Trade Receivables - Sales

In 2018

The average credit period of receivables from 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 construction of building was finished.

The Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. The Group has obtained sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

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

December 31, 2018

	Less than 90 Days	91 to 180 Days	181 to 365 Days	Over 366 Days	Total
Gross carrying amount	$ 6,595,347	$ 1,864,201	$ 553,258	$ 1,310,069	$ 10,322,875
Loss allowance (lifetime ECL)	(109,335)	(73,046)	(119,917)	(582,387)	(884,685)
Amortized cost	$ 6,486,012	$ 1,791,155	$ 433,341	$ 727,682	$ 9,438,190

The above aging schedule was based on the invoice date.

The Group individually and collectively evaluated the reasonableness of allowance for impairment loss. The movements of the loss allowance of trade receivables were as follows:

	December 31, 2018
Balance at January 1, 2018	$ 761,114
Add: Impairment losses recognized on receivables	142,553
Add: Amounts recovered from the prior year write-offs	2,318
Less: Amounts written off	(6,845)
Foreign exchange gains and losses	(14,455)
Balance at December 31, 2018	$ 884,685

In 2017

The Group applied the same credit policy in 2018 and 2017. In determining the recoverability of trade receivables, the Group considered any changes in credit quality of the trade receivables since the day credit was initially granted to the end of the reporting period.

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

Past due but not impaired trade receivables are trade receivables that are past due at the end of the reporting period but the Group does not recognize any allowance for impairment loss when there is no significant change in credit quality and the amounts are still considered recoverable. Furthermore, the Group requires collaterals or other credit enhancements to secure the receivables. The Group does not offset trade receivables from a counterparty against accounts payable to the same counterparty when the Group does not have the legal rights to offset.

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

	December 31, 2017
Less than 90 days	$ 6,229,737
91-180 days	1,275,171
181-365 days	665,408
More than 365 days	871,693
	$ 9,042,009

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

	December 31, 2017
Less than 90 days	25,751
91-180 days	155,070
181-365 days	870,693
More than 365 days	
	$ 1,082,803

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, 2017	$ 594,104	$ 26,618	$ 620,722
Add: Impairment losses recognized (reversed) on receivables	162,117	(2,715)	159,402
Less: Amounts written off as uncollectible	(7,142)	(681)	(7,823)
Effect of exchange rate changes	(10,972)	(215)	(11,187)
Balance at December 31, 2017	$ 738,107	$ 23,007	$ 761,114

14. FINANCE LEASE RECEIVABLES

	December 31	
	2018	2017
Minimum lease payments		
Not later than 1 year	$ 1,401,682	$ 1,401,682
Later than 1 year and not later than 5 years	5,606,728	5,606,728
Later than 5 years	7,008,410	8,410,092
	14,016,820	15,418,502
Less: Unearned finance income	4,450,235	5,227,313
Present value of minimum lease payments	$ 9,566,585	$ 10,191,189
Present value of minimum lease payments		
Not later than 1 year	$ 672,230	$ 624,604
Later than 1 year and not later than 5 years	3,242,092	3,012,397
Later than 5 years	5,652,263	6,554,188
Present value of minimum lease payments	$ 9,566,585	$ 10,191,189
Current	$ 672,230	$ 624,604
Non-current	8,894,355	9,566,585
	$ 9,566,585	$ 10,191,189

Chiahui Power Corp. (CHP) entered into a 25-year purchase and sale agreement with Taiwan Power Company (TPC). According to the agreement, all electricity generated by CHP is sold to TPC. CHP started its operation on December 15, 2003. The requirements of IFRIC 4 are applicable to the agreement after the transition date to IFRSs. Because the nature of the agreement is considered as conveyance of rights to use asset, the agreement is regarded as finance lease.

Based on the Group's assessment, the credit risk of these financial assets is not expected to be high and has not increased since initial recognition.

15. OTHER RECEIVABLES

Asia Cement (China) Holdings Corp. (ACCHC), Far Eastern Polytex (Holding) Limited (FEPHL) and FEDS Development (BVI) Ltd. (FEDSBVI) intend to invest in Yuan Ding Enterprise (Shanghai) Limited (YDES) and acquire 40%, 40% and 20% equity, respectively. Through the investment, ACCHC can 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.

As of December 31, 2018, ACCHC agreed to grant one-year interest-free credit line loan to FENCC (a subsidiary of FENC) and YDES in the amount of RMB431,900 thousand and RMB230,000 thousand, respectively. The borrower can use the loan during the loan period. As of December 31, 2018, the loan amounts drawn by FENCC and YDES were RMB431,900 thousand and RMB114,699 thousand, respectively. The aforementioned amounts were accounted for as other receivables.

The Group believes that potential benefit from the investment will exceed potential interest income if interest is charged on the loan. The Group did not consider the loan an independent transaction but took it as part of a more beneficial investment strategy. Accordingly, the borrowers were not required to pay any interest unless the development project failed to be implemented. In addition, FENC is FENCC and YDES's ultimate parent company, so the Group believes that the borrowers have sufficient financial resources to repay the loan and thus did not take any collateral.

On February 18, 2019, YDES's board of directors resolved to issue new shares, which increased its registered capital to RMB1,250,000 thousand. ACCHC invested RMB500,000 thousand in YDES through its subsidiary Oriental Holdings Co., Ltd. with ultimate ownership of 40%.

16. INVENTORIES

	December 31	
	2018	**2017**
Finished goods	$ 3,095,204	$ 1,065,637
Work in progress	1,176,038	1,084,346
Raw materials	3,519,927	2,369,761
Supplies	2,013,107	2,053,238
	$ 9,804,276	$ 6,572,982

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2018 and 2017 was $54,480,379 thousand and $47,838,702 thousand, respectively. The cost of goods sold included inventory write-downs of $315,353 thousand and reversals of inventory write-downs of $4,401 thousand. Previous write-downs were reversed as a result of increased selling prices in specific markets.

17. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Proportion of Ownership and Voting Rights December 31 2018	2017	Remark
The Corporation	Der Ching Investment Corp. (DCI)	99.99	99.99	
	Ya Tung Ready-Mixed Concrete Corp. (YTRMC)	99.99	99.99	
	Nan Hwa Cement Corp. (NHC)	99.94	99.94	
	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	
DCI	Kowloon Cement Corp. Ltd. (KCC)	49.00	49.00	
	Fu Shan Mineral Stone Co., Ltd. (FSMS)	99.56	99.56	
	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	
YTRMC	Ya Sing Ready-Mixed Concrete Corp. (YSRMC)	69.93	69.93	
	Ya Tung Vietnam Co., Ltd. (YTV)	100.00	100.00	
	PT Yatung Concrete International (PYCI)	99.00	-	Note 1
	Asia Oriental (Guam) L.L.C. (AOG)	77.69	77.69	
AOG	Perez - AOG L.L.C. (PEREZ)	64.50	64.50	
FMT	Fu Da Transportation Corp. (FDT)	99.87	99.87	
AEE	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	PYCI	1.00	-	Note 1
	Ya Li Precast Concrete India Pvt. Ltd. (YLPCIP)	99.99	99.99	
	AOG	22.31	22.31	
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	

(Continued)

Investor	Subsidiary	Proportion of Ownership and Voting Rights December 31 2018	2017	Remark
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	Note 2
	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	90.00	
	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	Note 2
	NYDC	25.00	25.00	
	JYLTC	48.00	48.00	
	SHYLCP	10.00	10.00	
	SYTCL	10.00	10.00	
	SIYDCCL	10.00	10.00	
	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	
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	Note 2

(Concluded)

Remarks:

Note 1: On October 30, 2018, YTRMC and YLPPC entered into an agreement to jointly establish PT Yatung Concrete International (PYCI) and held 99% and 1% interests in PYCI, respectively. As of December 31, 2018, total investments accumulated amounted to US$2,000 thousand. PYCI manufactures and sells ready-mixed concrete.

Note 2: On July 26, 2018, the Group entered into a sale agreement to dispose of SHYFCP. The proceeds from disposal and net gain on disposal of subsidiary amounted to RMB29,421 thousand and RMB9,051 thousand, respectively.

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 2018	 2017
CHP	Refer to Table 7	40.40%	40.40%
ACCHC	Refer to Tables 7 and 8	28.00%	28.00%

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31 2018	 2017	Accumulated Non-controlling Interests December 31 2018	 2017
ACCHC	$ 3,443,947	$ 912,428	$ 16,698,351	$ 13,971,545
CHP	352,011	316,163	3,728,503	3,661,759
Others	(23,855)	(32,057)	729,266	727,495
	$ 3,772,103	$ 1,196,534	$ 21,156,120	$ 18,360,799

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 2018	 2017
Current assets	$ 1,981,089	$ 1,798,849
Non-current assets	11,948,216	9,567,649
Current liabilities	3,843,336	1,434,251
Non-current liabilities	857,002	868,486
Equity	$ 9,228,967	$ 9,063,761
Equity attributable to:		
Owners of the Corporation	$ 5,500,464	$ 5,402,002
Non-controlling interests of CHP	3,728,503	3,661,759
	$ 9,228,967	$ 9,063,761

	For the Year Ended December 31	
	2018	2017
Revenue	$ 6,682,384	$ 6,114,715
Profit for the year	$ 871,315	$ 782,583
Other comprehensive loss for the year	(1,109)	(1,272)
Total comprehensive income for the year	$ 870,206	$ 781,311
Profit attributable to:		
Owners of the Corporation	$ 519,304	$ 466,420
Non-controlling interests of CHP	352,011	316,163
	$ 871,315	$ 782,583
Total comprehensive income attributable to:		
Owners of the Corporation	$ 518,643	$ 465,661
Non-controlling interests of CHP	351,563	315,650
	$ 870,206	$ 781,311
Dividends paid to non-controlling interest CHP	$ 284,860	$ 398,748

ACCHC and ACCHC's subsidiaries:

	December 31	
	2018	2017
Current assets	$ 46,700,020	$ 23,914,694
Non-current assets	45,832,407	50,649,919
Current liabilities	18,119,166	19,256,818
Non-current liabilities	18,865,216	8,938,222
Equity	$ 55,548,045	$ 46,369,573
Equity attributable to:		
Owners of the Corporation	$ 38,849,694	$ 32,398,028
Non-controlling interests of ACCHC	15,108,214	12,599,233
Non-controlling interests of ACCHC's subsidiaries	1,590,137	1,372,312
	$ 55,548,045	$ 46,369,573

	For the Year Ended December 31	
	2018	2017
Revenue	$ 51,612,506	$ 35,446,672
Profit for the year	$ 11,364,401	$ 2,865,022
Other comprehensive loss for the year	(898,139)	(874,271)
Total comprehensive income for the year	$ 10,466,262	$ 1,990,751

(Continued)

	For the Year Ended December 31	
	2018	2017
Profit attributable to:		
Owners of the Corporation	$ 7,920,453	$ 1,952,594
Non-controlling interests of ACCHC	3,080,177	759,342
Non-controlling interests of ACCHC's subsidiaries	363,771	153,086
	$ 11,364,401	$ 2,865,022
Total comprehensive income attributable to:		
Owners of the Corporation	$ 7,273,794	$ 1,348,748
Non-controlling interests of ACCHC	2,828,698	514,547
Non-controlling interests of ACCHC's subsidiaries	363,770	127,456
	$ 10,466,262	$ 1,990,751
Dividends paid to non-controlling interest		
ACCHC	$ 319,715	$ 57,800
ACCHC's subsidiaries	$ 116,017	$ 63,476

(Concluded)

18. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2018	2017
Investments in associates	$ 78,499,814	$ 64,507,691
Investments in joint ventures	346,462	351,687
	$ 78,846,276	$ 64,859,378

a. Investments in associates

	December 31	
	2018	2017
Material associates		
Listed stocks		
FENC	$ 43,204,676	$ 41,432,386
U-Ming Marine Transport Corp. (U-Ming)	10,394,553	8,826,968
CSCGL	10,217,370	-
	63,816,599	50,259,354
Associates that are not individually material		
Unlisted stocks		
Yuan Ding Co., Ltd. (YDC)	4,602,067	4,556,408
Far Eastern Construction Co., Ltd. (FEC)	4,200,160	4,066,901
Yue Yuan Investment Corp. (YYI)	1,939,588	1,656,355
Oriental Securities Corp. (OSC)	1,877,359	1,866,239
Yue Ding Enterprise Corp. (YDEC)	648,674	581,271
FEDS Development Ltd. (FEDSDL)	617,872	633,447
Yuan Ding Leasing Corp. (YDLC)	368,032	368,059
Catalyst_207 SPC-Tranche One (Catalyst Tranche One)	122,662	-

(Continued)

	December 31	
	2018	2017
Everstrong Iron & Steel Foundry Ltd. (EISF)	$ 99,473	$ 95,947
Hubei Zhongjian Yadong Concrete Co., Ltd. (HZYCCL)	74,013	73,999
Shih Hsin Storage & Transportation Co., Ltd. (SHSTC)	70,937	280,430
Pao-Good Industry Co., Ltd. (PGIC)	60,232	67,215
Opas Fund Segregated Portfolio Company (OFSPC)	1,610	1,535
Catalyst_207 SPC (Catalyst)	493	490
Perez-Mtec-ACC, L.L.C. (PMA)	43	41
	14,683,215	14,248,337
	$ 78,499,814	$ 64,507,691

(Concluded)

At the end of the reporting period, the percentages of owners' voting rights in associates held by the Group were as follows:

	December 31	
Name of Associate	**2018**	**2017**
FENC	25.74%	25.74%
U-Ming	41.41%	41.41%
CSCGL	17.46%	-
YDC	49.99%	49.99%
FEC	33.76%	33.76%
YYI	29.92%	29.92%
OSC	18.93%	18.93%
YDEC	30.84%	30.84%
FEDSDL	25.00%	25.00%
YDLC	43.60%	43.60%
Catalyst Tranche One	25.00%	-
EISF	48.73%	48.73%
HZYCCL	40.00%	40.00%
SHSTC	28.91%	28.91%
PGIC	31.00%	31.00%
OFSPC	33.00%	33.00%
Catalyst	33.00%	33.00%
PMA	33.33%	33.33%

AIC, the Corporation's subsidiary, acquired 655 thousand shares of EISF for $15,530 thousand in March 2017. After the transaction, the Group's percentage of ownership in EISF increased from 40.46% to 48.73%.

ACE, the Corporation's subsidiary, subscribed for 33 shares of Catalyst and paid US$17 thousand in December 2017. After the subscription, ACE owned 33% of the shares of Catalyst.

DCI, the Corporation's subsidiary, subscribed for 4,000 shares of Catalyst Tranche One and paid US$4,000 thousand in December 2018. After the subscription, DCI owned 25% of the shares of Catalyst Tranche One.

As of December 31, 2018 and 2017, the information of associates 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 2018	December 31 2017
FENC	$ 38,437,706	$ 36,922,241
U-Ming	$ 11,284,752	$ 12,771,890
CSCGL	$ 6,241,835	$ -

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

FENC:

	December 31 2018	December 31 2017
Current assets	$ 31,423,092	$ 23,622,633
Non-current assets	285,607,062	262,497,651
Current liabilities	23,339,671	15,560,934
Non-current liabilities	90,155,346	76,198,963
Equity	203,535,137	194,360,387
Proportion of the Group's ownership	25.74%	25.74%
Equity attributable to the Group	52,389,944	50,028,364
Cross shareholdings	(9,185,268)	(8,595,978)
Carrying amount	$ 43,204,676	$ 41,432,386

	For the Year Ended December 31 2018	For the Year Ended December 31 2017
Operating revenue	$ 54,063,801	$ 45,216,423
Net profit for the year	$ 12,028,294	$ 8,066,136
Other comprehensive income (loss)	855,093	(257,424)
Total comprehensive income for the year	$ 12,883,387	$ 7,808,712
Dividends received from FENC	$ 1,653,235	$ 1,102,167

U-Ming:

	December 31 2018	December 31 2017
Current assets	$ 1,985,037	$ 1,833,612
Non-current assets	50,008,362	48,545,075
Current liabilities	17,453,879	20,772,900
Non-current liabilities	8,913,985	7,765,577
Equity	25,625,535	21,840,210
Proportion of the Group's ownership	41.41%	41.41%
Equity attributable to the Group	10,611,534	9,044,031
Unrealized gain or loss with associates	(87,523)	(87,523)
Other adjustments	(129,458)	(129,540)
Carrying amount	$ 10,394,553	$ 8,826,968

	For the Year Ended December 31	
	2018	2017
Operating revenue	$ 1,080,444	$ 878,369
Net profit for the year	$ 1,668,840	$ 999,520
Other comprehensive income (loss)	2,007,257	(3,085,478)
Total comprehensive income (loss) for the year	$ 3,676,097	$ (2,085,958)
Dividends received from U-Ming	$ 419,898	$ 262,399

CSCGL:

	December 31, 2018
Current assets	$ 26,174,052
Non-current assets	90,319,977
Current liabilities	59,104,108
Non-current liabilities	14,557,750
Non-controlling interests	286,348
Equity attributable to CSCGL	42,545,823
Proportion of the Group's ownership	17.46%
Equity attributable to the Group	7,427,489
Goodwill	2,789,881
Carrying amount	$ 10,217,370

	For the Year Ended December 31, 2018
Operating revenue	$ 80,162,793
Net profit for the year	$ 9,856,967
Other comprehensive loss	(1,082,166)
Total comprehensive income for the year	$ 8,774,801

The Group's investments in CSCGL, which previously being recognized as financial assets at fair value through other comprehensive income, became qualified for the equity method of accounting and were therefore reclassified as investments accounted for using equity method in 2018. The Group reported provisional amounts of NT$2,789,881 for the goodwill arising from the above transition during the measurement period as the goodwill was included in the carrying amounts of the Group's investment in CSCGL. The Group will engage outside specialists to provide assistance in measuring the identifiable net assets of CSCGL and the measurement will be completed within one year from the transition date. The provisional amounts will be adjusted retrospectively during the subsequent measurement period to reflect new information obtained about facts and circumstances that existed as of the transition date that, if known, would have affected the amounts recognized as of that date.

3) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2018	2017
The Group's share of:		
Profit for the year	$ 520,731	$ 313,494
Other comprehensive income	220,999	575,431
Total comprehensive income for the year	$ 741,730	$ 888,925

4) The amounts of investments in associates pledged as collateral for bank borrowings are disclosed in Note 40.

b. Investments in joint ventures that are not individually material

	December 31	
	2018	2017
Unlisted companies		
Wuhan Asia Marine Transport Co., Ltd. (WAMTC)	$ 195,115	$ 182,397
Alliance Concrete Singapore Pte. Ltd. (Alliance)	107,842	122,146
Hubei Xinlongyuan Mining Co., Ltd. (HXMC)	24,020	16,628
Empire Success Corp. Ltd. (ESC)	17,371	25,524
Profit Enterprises Int'l Ltd. (PEI)	2,114	4,992
	$ 346,462	$ 351,687

At the end of the reporting period, the percentages of owners' voting rights in joint ventures held by the Group were as follows:

	December 31	
Name of Joint Ventures	**2018**	**2017**
WAMTC	50.00%	50.00%
Alliance	50.00%	50.00%
HXMC	40.00%	40.00%
ESC	50.00%	50.00%
PEI	50.00%	50.00%

Aggregate information of joint ventures that are not individually material:

	December 31	
	2018	2017
The Group's share of:		
Income (loss) for the year	$ 19,089	$ (40,174)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	$ 19,089	$ (40,174)

All the associates and joint ventures are accounted for using equity method.

For the years ended December 31, 2018 and 2017, impairment loss on individually not material joint ventures amounted to $200,245 thousand and $122,619 thousand, respectively, recognized in profit or loss.

Refer to Table 7 “Information on Investees” and Table 8 “Information on Investments in Mainland China” for the nature of activities, principal place of business and country of incorporation of the associates and joint ventures.

19. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment	Other Equipment	Property Under Construction	Total
Cost						
Balance at January 1, 2017	$ 6,591,954	$ 25,324,730	$ 77,112,502	$ 12,756,441	$ 334,362	$ 122,119,989
Additions	-	6,994	161,795	507,102	364,855	1,040,746
Disposals	-	(152,295)	(248,767)	(532,275)	-	(933,337)
Transferred to supplies	-	-	-	(460)	-	(460)
Transferred from completed construction	-	175,008	219,431	79,061	(473,500)	-
Transferred to intangible assets	-	-	-	-	(555)	(555)
Transferred to investment properties	-	-	-	-	(32,662)	(32,662)
Effect of foreign currency exchange differences	-	(414,140)	(1,170,634)	(93,115)	(1,060)	(1,678,949)
Balance at December 31, 2017	6,591,954	24,940,297	76,074,327	12,716,754	191,440	120,514,772
Accumulated depreciation and impairment						
Balance at January 1, 2017	12,595	8,705,281	44,576,754	9,992,873	-	63,287,503
Depreciation expense	-	658,925	3,348,961	832,054	-	4,839,940
Disposals	-	(28,810)	(179,356)	(470,418)	-	(678,584)
Effect of foreign currency exchange differences	-	(88,020)	(522,618)	(62,287)	-	(672,925)
Balance at December 31, 2017	12,595	9,247,376	47,223,741	10,292,222	-	66,775,934
Carrying amounts at December 31, 2017	$ 6,579,359	$ 15,692,921	$ 28,850,586	$ 2,424,532	$ 191,440	$ 53,738,838
Cost						
Balance at January 1, 2018	$ 6,591,954	$ 24,940,297	$ 76,074,327	$ 12,716,754	$ 191,440	$ 120,514,772
Additions	63	11,061	324,480	493,934	3,499,440	4,328,978
Disposals	-	(137,449)	(360,313)	(956,539)	-	(1,454,301)
Disposal of subsidiary	-	(17,215)	(45,449)	(617)	-	(63,281)
Transferred to supplies	-	-	-	(37,670)	-	(37,670)
Transferred to intangible assets	-	-	-	(577)	(1,333)	(1,910)
Transferred to other assets	-	-	-	(15,622)	-	(15,622)
Transferred from investment properties to PPE	-	22,270	-	-	-	22,270
Transferred from completed construction	-	153,845	131,726	138,943	(424,514)	-
Reclassifications	-	-	57,159	(57,159)	-	-
Others	-	-	-	-	(156)	(156)
Effect of foreign currency exchange differences	-	(325,581)	(929,674)	(47,871)	(4,086)	(1,307,212)
Balance at December 31, 2018	6,592,017	24,647,228	75,252,256	12,233,576	3,260,791	121,985,868
Accumulated depreciation and impairment						
Balance at January 1, 2018	12,595	9,247,376	47,223,741	10,292,222	-	66,775,934
Depreciation expense	-	640,439	3,308,785	700,337	-	4,649,561
Disposals	-	(97,604)	(317,576)	(915,271)	-	(1,330,451)
Disposal of subsidiary	-	(14,074)	(40,833)	(555)	-	(55,462)
Impairment loss recognized	-	18,365	32,341	1,182	-	51,888
Transferred to intangible assets	-	-	-	(577)	-	(577)
Transferred to other assets	-	-	-	(15,622)	-	(15,622)
Reclassifications	-	-	(15,680)	15,680	-	-
Effect of foreign currency exchange differences	-	(84,260)	(520,409)	(34,075)	-	(638,744)
Balance at December 31, 2018	12,595	9,710,242	49,670,369	10,043,321	-	69,436,527
Carrying amounts at December 31, 2018	$ 6,579,422	$ 14,936,986	$ 25,581,887	$ 2,190,255	$ 3,260,791	$ 52,549,341

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 into major component elements:

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

As of December 31, 2018 and 2017, 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 40 for the carrying amount of property, plant and equipment pledged by the Group as collaterals for borrowings.

20. INVESTMENT PROPERTIES

	December 31	
	2018	**2017**
Leased investment property	$ 29,481,076	$ 29,352,403
Undeveloped investment property	6,484,127	6,393,008
	$ 35,965,203	$ 35,745,411

	Leased Investment Property	**Undeveloped Investment Property**	**Total**
Balance at January 1, 2017	$ 29,855,285	$ 5,426,460	$ 35,281,745
Additions	48,967	-	48,967
Transferred from property, plant and equipment	32,662	-	32,662
Accounts receivable write-offs	-	165,605	165,605
Changes in fair value of investment properties	(582,930)	799,510	216,580
Effect of foreign currency exchange difference	(1,581)	1,433	(148)
Balance at December 31, 2017	$ 29,352,403	$ 6,393,008	$ 35,745,411
Balance at January 1, 2018	$ 29,352,403	$ 6,393,008	$ 35,745,411
Additions	1,269	-	1,269
Accounts receivable write-offs	-	149,528	149,528
Transferred to property, plant and equipment	-	(22,270)	(22,270)
Changes in fair value of investment properties	128,575	(30,560)	98,015
Effect of foreign currency exchange difference	(1,171)	(5,579)	(6,750)
Balance at December 31, 2018	$ 29,481,076	$ 6,484,127	$ 35,965,203

The investment properties for lease were as follows:

a. On January 1, 1998, 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. As consideration for the right to construct and the continued use of the land for fifty years, FEDSDL shall pay the following: (a) land use rights in the amount of $1,073,000 thousand and (b) annual rental at 5% of the reference price of such land announced by the local government. The proceeds of the land use rights were recorded as long-term deferred revenue and recognized as rental revenue on a periodic basis.

b. The Corporation and Far Eastern Resources Development Co. (FERD) equally owned a parcel of land located at Tun Hwa South Road, Taipei City. Under an agreement entered into with YDC, the Corporation and FERD had agreed on the following: (a) construction of a twin tower building (Taipei Metro) by YDC 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 the remaining usable area of the building after the end of 30 years in exchange for the carrying amount 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 long-term deferred revenue, and recognized as revenue on a periodic basis.

c. SYDCCL signed a contract with Mie Business Services Co., Ltd. (Mie Business). The contract fully authorized Mie Business to manage and operate SYDCCL's store 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 May 1, 2017 and will end on March 31, 2022.

d. The Corporation also has lease contract for Asia-Cement Building and Pao-Ching Building, as well as land and building located in Chiayi City and Wuhan. These investment properties are leased out for 1 to 10 years with monthly lease payments.

The Group's undeveloped investment properties included a parcel of land located in Lin-Ya, Kaohsiung, as well as stores, apartments, and office buildings acquired by SIYDCCL as collaterals for overdue balances from customers.

The fair values of investment properties were valued by independent qualified professional appraisers. According to local requirements, entities are required to have independent appraisal for the investment properties with individual carrying amount of $300 million or higher. The fair values of investment properties as of December 31, 2018 and 2017 were determined by qualified professional appraisers, Mr. Tsai, real estate appraiser from DTZ real estate appraisers firm, and Mr. Chang, from Savills (Taiwan) Limited, on March 4, 2019 and February 21, 2018, respectively.

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, 2017	$ 29,855,285	$ 5,426,460	$ 35,281,745
Recognized in profit or loss (gain or loss from changes in fair value of investment property)	(582,930)	799,510	216,580
Recognized in other comprehensive income			
Exchange differences on translating foreign operations	(1,581)	1,433	(148)
Purchases	48,967	-	48,967
Transfers into Level 3	32,662	165,605	198,267
Balance at December 31, 2017	$ 29,352,403	$ 6,393,008	$ 35,745,411
Balance at January 1, 2018	$ 29,352,403	$ 6,393,008	$ 35,745,411
Recognized in profit or loss (gain or loss from changes in fair value of investment property)	128,575	(30,560)	98,015
Recognized in other comprehensive income			
Exchange differences on translating foreign operations	(1,171)	(5,579)	(6,750)
Purchases	1,269	-	1,269
Transfers into Level 3	-	149,528	149,528
Transfers out of Level 3	-	(22,270)	(22,270)
Balance at December 31, 2018	$ 29,481,076	$ 6,484,127	$ 35,965,203

The fair value measurement of undeveloped land located in Lin-Ya, Kaohsiung, was measured by land development analysis. The increase in estimated total selling price, the increase in rate of return, or the decrease in overall capital interest rate would result in an increase in the fair value. The significant assumptions used were as follows:

	December 31	
	2018	2017
Estimated total selling price	$ 18,991,547	$ 19,052,686
Rate of return	22%	22%
Overall capital interest rate	6.08%	6.81%

The total selling price is estimated on the basis of the most effective use of the land or property available for sale after development is completed, taking into account the related regulations, domestic macroeconomic prospects, local land use, and market rates.

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	
	2018	2017
Expected future cash inflows	$ 35,860,267	$ 35,595,066
Expected future cash outflows	1,499,390	1,517,009
Expected future cash inflows, net	$ 34,360,877	$ 34,078,057
Discount rate	2.07%-6.25%	2.09%-5.25%

The market rentals 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, 2018 and 2017 was $342,591 thousand and $341,890 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, 2018 and 2017, the risk premiums were 0.225%-4.50% and 0.25%-3.00%, respectively.

Refer to Note 40 for the carrying amount of investment properties pledged by the Group as collaterals for borrowings.

21. INTANGIBLE ASSETS - GOODWILL

	For the Year Ended December 31	
	2018	2017
Cost		
Balance at January 1	$ 3,171,735	$ 3,237,530
Impairment losses recognized	(630,631)	-
Effect of foreign currency exchange differences	(43,956)	(65,795)
Balance at December 31	$ 2,497,148	$ 3,171,735

The goodwill comprised of the following:

a. 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 the amount of goodwill, which was RMB138,759 thousand. The recoverable amount of the cash generating unit were lower than the related carrying amount, and impairment loss of RMB138,759 thousand were recognized for the year ended December 31, 2018.

b. 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 the amount of goodwill, which was RMB554,241 thousand.

c. 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 the amount of goodwill, which was $20,780 thousand.

As of December 31, 2018, the Group assessed that there was no indication of impairment on the cash-generating units including the goodwill listed above.

22. INTANGIBLE ASSETS - OTHERS

	Quarry Right	Computer Software	Others	Total
Cost				
Balance at January 1, 2017	$ 1,898,093	$ 240,282	$ 421,727	$ 2,560,102
Additions	3,787	9,821	-	13,608
Disposals	-	(2,575)	-	(2,575)
Transferred from completed construction	-	555	-	555
Effect of foreign currency exchange differences	(166,984)	(1,380)	(1,951)	(170,315)
Balance at December 31, 2017	1,734,896	246,703	419,776	2,401,375
Accumulated amortization and impairment				
Balance at January 1, 2017	$ 630,156	$ 208,591	$ 92,243	$ 930,990
Amortization expense	223,080	11,208	1,327	235,615
Disposals	-	(1,545)	-	(1,545)
Effect of foreign currency exchange differences	(141,599)	(1,035)	(1,877)	(144,511)
Balance at December 31, 2017	711,637	217,219	91,693	1,020,549
Carrying amounts at December 31, 2017	$ 1,023,259	$ 29,484	$ 328,083	$ 1,380,826

(Continued)

	Quarry Right	Computer Software	Others	Total
Cost				
Balance at January 1, 2018	$ 1,734,896	$ 246,703	$ 419,776	$ 2,401,375
Additions	-	13,037	-	13,037
Disposals	-	(379)	-	(379)
Transferred from completed construction	-	1,333	-	1,333
Effect of foreign currency exchange differences	(28,227)	(1,346)	(1,619)	(31,192)
Balance at December 31, 2018	1,706,669	259,348	418,157	2,384,174
Accumulated amortization and impairment				
Balance at January 1, 2018	711,637	217,219	91,693	1,020,549
Amortization expense	171,621	11,292	1,336	184,249
Disposals	-	(379)	-	(379)
Effect of foreign currency exchange differences	(15,232)	(1,036)	(1,612)	(17,880)
Balance at December 31, 2018	868,026	227,096	91,417	1,186,539
Carrying amounts at December 31, 2018	$ 838,643	$ 32,252	$ 326,740	$ 1,197,635

The above items of other intangible assets with finite useful lives are amortized on a straight-line basis. Quarry rights are amortized over 40 to 47 years and the computer software and others are amortized over 2 to 6 years. The other items with indefinite useful lives will not be amortized until their useful lives are determined to be finite. Instead, they will be tested for impairment annually and whenever there is an indication that they may be impaired.

23. PREPAYMENTS FOR LEASE OBLIGATIONS

	December 31	
	2018	2017
Current assets (included in prepayments line item)	$ 142,246	$ 135,289
Non-current assets	3,779,353	3,814,315
	$ 3,921,599	$ 3,949,604

The above prepayments for lease obligations include land use rights in mainland China, Hong Kong, Singapore and Vietnam. The amortization expenses are $85,382 thousand and $102,036 thousand for the years ended December 31, 2018 and 2017, respectively.

24. OTHER NON-CURRENT ASSETS

	December 31	
	2018	2017
Prepaid investments	$ 2,042,722	$ 1,959,002
Net defined benefit assets	1,898,029	1,525,609
Refundable deposits	914,114	891,114
Others	9,693	60,753
	$ 4,864,558	$ 4,436,478
Refundable deposits		
Current (accounted for as other current assets)	$ 82,493	$ 95,815
Non-current	$ 914,114	$ 891,114

The prepaid investments comprised of the following:

a. On March 23, 2017, the Corporation acquired 155 thousand issued shares of China Shanshui Investment Company Limited (CSI) in the amount of HK$577,662 thousand from six shareholders of CSI under a share purchase agreement. The Corporation has already obtained the physical share certificates of the acquired CSI shares. Pursuant to the Articles of Association of CSI, the share ownership can only be recorded on the register of shareholders if the board of directors of CSI approves the shares transfer. As of December 31, 2018, the Corporation submitted all necessary documents to CSI for registration of the shares transfer.

   CSCGL and its subsidiaries obtained from the High Court of Hong Kong an injunction order by way of an ex-parte application on April 11, 2017. Pursuant to the injunction order, Mi Jingtian, Zhao Liping, Li Maohuan and Yu Yuchuan are prohibited from removing any of their assets in Hong Kong, each of their assets' value is up to RMB142 million (or its Hong Kong dollar equivalent), in particular, their shares in CSI and/or any proceeds from sales of any such CSI shares.

   The Corporation is neither a plaintiff nor a defendant in the aforesaid proceedings. But, for the purpose of securing and exercising the rights and interests of the acquired shares of CSI, the Corporation provided a bank guarantee of RMB142 million to the High Court of Hong Kong according to the High Court's ruling on April 21, 2017. On the same day, the High Court of Hong Kong lifted the injunction order on the shares of CSI acquired by the Corporation.

   Chan Hongqing claimed that the CSI shares which the Corporation acquired from the abovementioned four persons were pledged as collaterals under an agreement signed on August 17, 2015 and thus applied for arbitration with China International Economic and Trade Arbitration Commission in Beijing.

b. Chu Feng Power Corporation, Preparatory Office (Chu Feng), founded in October 2016, was created by DCI, the Corporation's subsidiary, for the development of offshore wind power in Taiwan. As of December 31, 2018 and 2017, the accumulated prepaid investments were $131,544 thousand and $47,823 thousand, respectively. In March 2018, Chu Feng submitted an application to the Bureau of Energy, Ministry of Economic Affairs, ROC, for the offshore wind power project's selection. However, Chu Feng did not pass the selection according to the announcement on April 30, 2018. In June 2018, Chu Feng joined the second stage auction and its bid failed again. As of the balance sheet date, the Group recognized the amounts paid within the preparatory period as other receivables or prepaid investments. The Group also recognized full amounts of provisions based on the preparatory loss of Chu Feng. Refer to Note 30.

25. SHORT-TERM BORROWINGS

	December 31	
	2018	2017
Unsecured	$ 23,099,239	$ 16,820,863
Secured	1,706,000	1,590,000
	$ 24,805,239	$ 18,410,863
Interest rate (%)	1.04-5.30	1.03-5.55
Final repayment date:		
Unsecured	2019.10.31	2018.12.24
Secured	2019.3.26	2018.2.22

26. SHORT-TERM BILLS PAYABLE

	December 31	
	2018	2017
Commercial paper	$ 18,569,425	$ 16,130,300
Less: Unamortized discount on bills payable	4,956	5,382
	$ 18,564,469	$ 16,124,918
Interest rate (%)	0.36%-1.26%	0.45%-1.09%

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

27. OTHER PAYABLE

	December 31	
	2018	2017
Payable on investment	$ 334,305	$ 330,729

Payable on investment is the unpaid consideration for SIYDCCL's acquisition of SLCL, which amounted to RMB72,738 thousand.

28. LONG-TERM LIABILITIES

	December 31	
	2018	2017
Bank loans	$ 31,886,897	$ 27,400,583
Long-term commercial paper	5,000,000	5,000,000
Less: Unamortized discount	7,989	13,917
	36,878,908	32,386,666
Bonds		
Domestic bonds		
1st unsecured bonds issued in 2014	4,000,000	8,000,000
1st unsecured bonds issued in 2016	6,000,000	6,000,000
	10,000,000	14,000,000
Overseas bonds		
2nd Euro convertible bonds issued in 2013 - US$220,000 thousand	-	88,612
3rd Euro convertible bonds issued in 2018 - US$215,000 thousand	6,192,567	-
	6,192,567	88,612
	53,071,475	46,475,278
Less: Current portion	7,285,012	9,197,457
	$ 45,786,463	$ 37,277,821

a. Bank loans are repayable in installments at varying amounts or in one lump-sum payment prior to January 22, 2022. The Group has signed long-term revolving credit facilities with banks. As of December 31, 2018 and 2017, interest rates were 0.89% to 5.58% and 0.85% to 5.75%, respectively.

b. Long-term commercial paper was issued by contract. As of December 31, 2018 and 2017, interest rates were 0.83%-0.84% and 0.83%, respectively. The maturity date of the contract is December 19, 2020.

c. Domestic bonds are repayable in installments at varying amounts or in one lump-sum on maturity prior to September 2021. As of December 31, 2018 and 2017, both interest rates were 0.80% to 1.36%.

d. In order to redeem bonds and pay 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 terms of the zero coupon Euro convertible bonds included the following:

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 ordinary 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 in whole or in part of the bonds held by such holder on May 13, 2016 at a redemption price equal to 100% of the principal amount thereof. (Refer to item 6 below for information on the redemption of bonds.)

5) The conversion price shall be subject to adjustment when there is occurrence of, including (but not limited to), the following:

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.

6) As bondholders exercised the put option, the Corporation had redeemed the principal amount of US$217,000 thousand on May 11, 2016. After the redemption, the bonds outstanding in the amount of US$3,000 thousand had been paid on May 10, 2018.

e. In order to repay the debt, save interest expenses, and strengthen the Corporation's financial structure, on September 21, 2018, the Corporation issued US$215,000 thousand (equivalent to NT$6,620,710 thousand), which is the third zero coupon Euro convertible bond due on 2023.

The terms of the zero coupon Euro convertible bonds included the following:

1) Final redemption

Unless previously redeemed, repurchased and canceled, or converted, the Bonds will be redeemed on the maturity date at the settlement equivalent of 103.04% of the unpaid principal amount thereof.

2) The bonds are convertible into the Corporation's ordinary shares ("Shares") at any time on or after December 21, 2018 and prior to the close of business on August 22, 2023. The initial conversion price was NT$42.24 per Share, determined on the basis of a fixed exchange rate of NT$30.794=US$1.00.

3) Redemption at the option of the Corporation

At any time on or after September 21, 2021, 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 the 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$30.794=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 in whole or in part of the bonds held by such holder on September 21, 2021 at a redemption price equal to the settlement equivalent of 101.81% of the principal amount in U.S. dollars. Any U.S. dollar denominated amount payable in respect of the bonds will be converted into NT dollars using a fixed exchange rate and then converted back to a U.S. dollar amount using the applicable prevailing rate at the time of redemption.

5) The conversion price shall be subject to adjustment when there is occurrence of, including (but not limited to), the following:

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$42.24 as of December 31, 2018.

f. As of December 31, 2018, CHP had used its credit lines as follows:

Bank	Amount (In Thousands)	Interest Rate/ Guarantee Fee Rate (%)	Contract Period
Mizuho	NT$ 184,252	0.45	2018.10.16-2019.10.16
Mizuho	NT$ 275,000	0.45	2018.09.18-2019.09.18
Mizuho	US$ 4,470	0.45	2018.10.16-2019.10.16

29. DEFERRED REVENUE

	December 31	
	2018	2017
Land use right	$ 858,838	$ 926,923
Others	140,879	-
	$ 999,717	$ 926,923
Current	$ 75,912	$ 68,085
Non-current	923,805	858,838
	$ 999,717	$ 926,923

a. The deferred revenue on land use rights in Lin-Ya, Kaohsiung granted to FEDSDL (Note 20) is amortized to income over 50 years on a straight-line basis.

b. The deferred revenue on land use rights of Taipei Metro granted to YDC (Note 20) is amortized to income over 30 years on a straight-line basis.

30. OTHER LIABILITIES

	December 31	
	2018	2017
Preparatory costs provisions (Note 24)	$ 222,729	$ 57,963
Decommissioning of electric factory provisions	217,942	119,942
Accrued reward provisions	140,572	150,718
Compensation of traffic accident provisions	127,894	121,939
Other provisions (Note 41)	18,440	48,140
	$ 727,577	$ 498,702
Current	$ 48,200	$ 47,646
Non-current	679,377	451,056
	$ 727,577	$ 498,702

31. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and the subsidiaries in the ROC adopted a pension plan under the Labor Pension Act (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.

b. Defined benefit plans

The defined benefit plan adopted by the Corporation and domestic subsidiaries in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months or last month 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	
	2018	2017
Present value of defined benefit obligation	$ 1,322,473	$ 1,527,968
Fair value of plan assets	(3,035,395)	(2,860,286)
Deficit (surplus)	(1,712,922)	(1,332,318)
Net defined benefit liabilities (asset)	$ (1,712,922)	$ (1,332,318)

Movements in net defined benefit liabilities (assets) 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, 2017	$ 1,569,276	$ (2,724,868)	$ (1,155,592)
Service cost			
Current service cost	20,448	-	20,448
Past service cost and gain on settlements	(2,130)	-	(2,130)
Net interest expense (income)	20,239	(35,416)	(15,177)
Recognized in profit or loss	38,557	(35,416)	3,141
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(195,470)	(195,470)
Actuarial loss - changes in demographic assumptions	697	-	697
Actuarial loss - changes in financial assumptions	21,434	-	21,434
Actuarial loss - experience adjustments	19,897	-	19,897
Recognized in other comprehensive income	42,028	(195,470)	(153,442)
Contributions from the employer	-	(12,628)	(12,628)
Benefits paid	(121,679)	108,096	(13,583)
Liabilities extinguished on settlement	(214)	-	(214)
Balance at December 31, 2017	$ 1,527,968	$ (2,860,286)	$ (1,332,318)
Balance at January 1, 2018	$ 1,527,968	$ (2,860,286)	$ (1,332,318)
Service cost			
Current service cost	19,607	-	19,607
Past service cost and gain on settlements	-	-	-
Net interest expense (income)	17,492	(33,798)	(16,306)
Recognized in profit or loss	37,099	(33,798)	3,301
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(303,940)	(303,940)
Actuarial loss - changes in demographic assumptions	259	-	259
Actuarial loss - changes in financial assumptions	20,848	-	20,848
Actuarial loss - experience adjustments	(46,872)	-	(46,872)
Recognized in other comprehensive income	(25,765)	(303,940)	(329,705)
Contributions from the employer	-	(25,085)	(25,085)
Benefits paid	(216,873)	183,077	(33,796)
Liabilities extinguished on settlement	-	-	-
Others	44	4,637	4,681
Balance at December 31, 2018	$ 1,322,473	$ (3,035,395)	$ (1,712,922)

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	
	2018	**2017**
Discount rate(s)	0.75%-1.40%	1.00%-1.50%
Expected rate(s) of salary increase	2.00%-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	
	2018	**2017**
Discount rate(s)		
0.25% increase	$ (30,402)	$ (35,772)
0.25% decrease	$ 31,476	$ 37,081
Expected rate(s) of salary increase		
1% increase	$ 139,268	$ 163,168
1% decrease	$ (128,585)	$ (149,460)

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.

The major categories of plan assets at the end of the reporting period are disclosed based on the information announced by the Bureau:

	December 31	
	2018	2017
Equity instruments	84.40	81.00
Deposited in financial institutions	6.75	8.39
Others	8.85	10.61
	100.00	100.00

	December 31	
	2018	2017
The expected contributions to the plan for the next year	$ 14,925	$ 13,952
The average duration of the defined benefit obligation	7-12.5 years	8-15 years

32. EQUITY

a. Share capital

	December 31	
	2018	2017
Number of shares authorized (in thousands)	4,000,000	4,000,000
Shares authorized	$ 40,000,000	$ 40,000,000
Number of shares issued and fully paid (in thousands)	3,361,447	3,361,447
Shares issued	$ 33,614,472	$ 33,614,472

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

The total of 350,000 thousand and 10,000 thousand shares of the Corporation's authorized shares are reserved for the issuance of convertible bonds and employee share option, respectively.

b. Capital surplus

	December 31	
	2018	2017
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (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 using equity method (2)	992,530	992,530
	1,089,227	1,089,227

(Continued)

	December 31	
	2018	2017
May be used to offset a deficit only		
Change of capital surplus of associates and joint ventures accounted for using equity method (3)	$ 38,085	$ 38,215
May not be used for any purpose		
Share warrants	185,411	-
Change of capital surplus of associates and joint ventures accounted for using equity method	49,831	41,250
	235,242	41,250
	$ 1,362,554	$ 1,168,692

(Concluded)

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 to once a year).

2) Such capital surplus from the effect of changes in associate's ownership interest in its subsidiary that resulted from actual acquisition and disposal of equity may be used to offset a deficit or distributed as cash dividends or share dividends under Article 241-1 of Company Act.

3) Such capital surplus from the effect of changes in associate's ownership interest in its 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. Retained earnings and dividends policy

Under the dividend policy, where the Corporation has a profit at the end of a fiscal year, the Corporation shall first pay business income taxes based on law and then offset losses of previous years, and if there is any remaining profit, 10% of the balance shall be appropriated as legal reserve. In addition, appropriation for special reserve shall be made based on provisions of law. Any remaining amount of profit together with the accumulated undistributed earnings of the previous year shall be allocated for distribution to shareholders. However, depending on the condition of the business, part of the profit may be retained. In case of an increase in the capital of the Corporation, the shareholders' bonus for the new shares in the year of issue shall be decided in the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration of directors and supervisors, refer to employees' compensation and remuneration of directors and supervisors in Note 34 (f).

The distribution of shareholders' dividend shall take into consideration the changes in the outlook of the Corporation's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Shareholders' dividend shall be distributed with the aim of maintaining stable shareholders' dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing shareholders' dividend, the dividend payout ratio each fiscal year shall be no less than 50% of the final surplus which is the sum of after-tax profit of the fiscal year to withhold previous loss, if any, legal reserve and special reserve as required by law; the cash dividend shall not be less than 10% of the total shareholders' dividend distributed in the same year.

These appropriations shall be resolved by the shareholders in the following year and given effect to in the financial statements of that year.

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

The Corporation is required to appropriate to or reverse from special reserve amounts that pertains to items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs".

Under the Integrated Income Tax System, ROC-resident shareholders are allowed tax credit for the income tax paid by the Corporation on earnings generated in 1998 onward. Tax credits allocated to shareholders are based on the balance of Imputation Credit Account (ICA) on the dividend distribution date. However, the income tax law was amended and the imputation tax system was abolished in 2018.

The appropriation of earnings and dividends per share for 2017 and 2016 approved in the shareholders' meetings on June 26, 2018 and June 27, 2017, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividend Per Share (Dollars) For the Year Ended December 31	
	2017	2016	2017	2016
Legal reserve	$ 546,900	$ 394,577		
Special reserve	943,188	881,019		
Cash dividends	4,033,736	3,025,302	$1.2	$0.9

The appropriation of earnings for 2018 had been proposed by the Corporation's board of directors on March 21, 2019. The proposed appropriation of earnings and dividend per share were as follows:

	Appropriation of Earnings	Dividend Per Share (Dollars)
Legal reserve	$ 1,111,709	
Special reserve	518,281	
Cash dividends	9,412,052	$ 2.8

Assuming that the shares reciprocally held by associates were not treated as treasury stock and not deducted from weighted average number of shares outstanding, the basic EPS would be NT$3.31 for the year ended December 31, 2018.

The appropriations of earnings for 2018 are subject to the resolution of the shareholders' meeting to be held on June 24, 2019.

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 the amounts to special reserve.

In addition, on the initial application of the fair value model to investment properties, the Corporation appropriated to special reserve the amount of the net increase in fair value of investment properties and transferred it to retained earnings. Additional special reserve should be appropriated for subsequent net increases in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decrease or on the disposal of investment properties.

The Group and its associates used and disposed of some of the related assets; accordingly, special reserve reversed to unappropriated earnings amounted to $548,152 thousand as of December 31, 2018.

e. Other equity items

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

	For the Year Ended December 31	
	2018	2017
Balance at January 1	$ (2,638,153)	$ (44,313)
Exchange differences on translating the financial statements of foreign operations	(627,348)	(701,380)
Share of exchange difference of associates and joint ventures accounted for using equity method	624,137	(1,892,460)
Balance at December 31	$ (2,641,364)	$ (2,638,153)

2) Unrealized gain (loss) on available-for-sale financial assets

Balance at January 1, 2017	$ (4,023,554)
Unrealized gain arising on revaluation of available-for-sale financial assets	4,281,676
Related income tax	(210,141)
Share of unrealized gain on revaluation of available-for-sale financial assets of associates and joint ventures accounted for using equity method	680,086
Balance at December 31, 2017	$ 728,067
Balance at January 1, 2018 per IAS 39	$ 782,067
Adjustment on initial application of IFRS 9	(728,067)
Balance at January 1, 2018 per IFRS 9	$ -

3) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31, 2018
Balance at January 1 per IAS 39	$ -
Adjustment on initial application of IFRS 9	516,962
Balance at January 1 per IFRS 9	516,962
Unrealized gain - equity instruments	926,188
Related income tax	(219,554)

(Continued)

	For the Year Ended December 31, 2018
Share from associates and joint ventures accounted for using equity method	
Equity instruments	$ 634,103
Debt instruments	2,520
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	3,408,697
Balance at December 31	$ 5,268,916

(Concluded)

4) Cash flow hedges

	For the Year Ended December 31	
	2018	2017
Balance at January 1	$ 58,485	$ 41,450
Cash flow hedges	(2,434)	-
Share from associates and joint ventures accounted for using equity method	4,883	17,035
Balance at December 31	$ 60,934	$ 58,485

5) Gains on property revaluation: There has been no change to gains on property revaluation between the year of 2018 and 2017.

f. Non-controlling interests

	For the Year Ended December 31	
	2018	2017
Balance at January 1 per IAS 39	$ 18,360,799	$ 18,000,144
Adjustment on initial application of IFRS 9	4,810	-
Balance at January 1 per IFRS 9	18,365,609	18,000,144
Attributable to non-controlling interests:		
Share of profit for the year	3,772,103	1,196,534
Other comprehensive income (loss) during the year		
Exchange difference on translating the financial statements of foreign operations	(267,413)	(315,755)
Unrealized gain on financial assets at FVTOCI	1,497	-
Related income tax	(526)	-
Unrealized gain on available-for-sale financial assets	-	20,855
Related income tax	-	(102)
Remeasurement on defined benefit plans	(309)	(576)
Related income tax	3	(9)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	8,662	(11,613)
Share of other changes in equity of associates and joint ventures accounted for using equity method	(2)	33
Cash dividends from subsidiaries	(723,504)	(528,712)
Balance at December 31	$ 21,156,120	$ 18,360,799

33. OPERATING REVENUE AND COSTS

	For the Year Ended December 31	
	2018	2017
Operating revenue		
Sales of goods	$ 73,071,313	$ 55,749,429
Electric power revenue	5,905,306	5,293,385
Transportation revenue	1,803,059	1,700,096
Rental revenue	1,142,218	1,180,448
Engineering revenue	286,691	416,920
Income from investments		
Sale of investments	3,135,587	5,131,408
Cost of investments sold	2,883,728	4,800,786
Gain on sale of investments, net	251,859	330,622
Dividends	335,416	290,584
Total income from investments	587,275	621,206
Less: Sales returns and discounts	54,858	62,236
Total operating revenue, net	82,741,004	64,899,248
Operating costs		
Cost of goods sold	54,480,379	47,838,702
Electric power cost	5,399,450	4,967,340
Transportation cost	1,322,486	1,291,269
Rental cost	179,693	187,058
Engineering cost	202,682	443,861
Total operating costs	61,584,690	54,728,230
Gross profit	$ 21,156,314	$ 10,171,018

Contract balances: As of December 31, 2018, the Group's contract assets and contract liabilities of NT$147,528 thousand and NT$731,015 thousand were accounts receivable and customers' deposits and advances, respectively.

34. NET PROFIT

Net profit was as follows:

a. Other income

	For the Year Ended December 31	
	2018	2017
Dividends	$ 434,898	$ 326,096
Government grants	430,015	324,283
Interest income	370,571	179,840
Rental income	51,105	49,578
Others	193,214	160,861
	$ 1,479,803	$ 1,040,658

b. Other gains and losses

	For the Year Ended December 31	
	2018	2017
Impairment losses of goodwill	$ (630,631)	$ -
Net gain (loss) gain on financial assets and liabilities designated as at FVTPL	(256,294)	31,422
Impairment losses recognized on investments accounted for using equity method	(200,245)	(122,619)
Preparatory costs (Note 24)	(159,275)	-
Bank charges	(142,401)	(128,306)
Gain on changes in fair value of investment properties (Note 20)	98,015	216,580
Net foreign exchange gains (losses)	90,672	(454,600)
Gain on disposal of subsidiaries	40,440	-
Loss on disposal of property, plant and equipment	(33,455)	(103,818)
Gain on disposal of investments	-	63,042
Loss on disposal of intangible assets	-	(1,030)
Miscellaneous expenses	(540,592)	(228,901)
	$ (1,733,766)	$ (728,230)

c. Finance costs

	For the Year Ended December 31	
	2018	2017
Interest on bank loans	$ 1,645,742	$ 1,763,418
Amortization of discount on bonds payable	24,567	1,401
Other interest expense	3,103	7,618
Less: Amounts included in the cost of qualifying assets (capitalized interest)	(227)	(362)
	$ 1,673,185	$ 1,772,075

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2018	2017
Capitalized interest	$ 227	$ 362
Capitalization rate	0.726%-1.139%	0.787%-1.080%

d. Depreciation and amortization

	For the Year Ended December 31	
	2018	2017
An analysis of depreciation by function		
Operating costs	$ 4,524,970	$ 4,709,312
Operating expenses	115,507	118,221
Non-operating expenses	9,084	12,407
	$ 4,649,561	$ 4,839,940
An analysis of amortization by function		
Operating costs	$ 172,655	$ 222,918
Operating expenses	11,594	12,697
	$ 184,249	$ 235,615

e. Employee benefits expense

	For the Year Ended December 31, 2018			
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Post-employment benefits (Note 31)				
Defined contribution plans	$ 160,404	$ 41,020	$ 80	$ 201,504
Defined benefit plans	3,743	(442)	-	3,301
Short-term benefits				
Salary	2,782,957	839,523	3,200	3,625,680
Remuneration of directors	-	250,692	-	250,692
Labor and health insurance	176,539	50,966	153	227,658
Other employees-related expenses	173,420	105,487	70	278,977
Termination benefits	-	-	3,270	3,270
Other employee benefits	-	71,340	432	71,772
Total employee benefits expense	$ 3,297,063	$ 1,358,586	$ 7,205	$ 4,662,854

	For the Year Ended December 31, 2017			
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Post-employment benefits (Note 31)				
Defined contribution plans	$ 152,148	$ 46,952	$ 95	$ 199,195
Defined benefit plans	2,631	510	-	3,141
Short-term benefits				
Salary	2,448,379	814,511	9,404	3,272,294
Remuneration of directors	-	135,346	-	135,346
Labor and health insurance	170,496	45,602	145	216,243
Other employees-related expenses	172,628	100,708	71	273,407
Termination benefits	53	-	2,194	2,247
Other employee benefits	-	42,720	536	43,256
Total employee benefits expense	$ 2,946,335	$ 1,186,349	$ 12,445	$ 4,145,129

As of December 31, 2018 and 2017, the Corporation had 5,878 and 6,004 employees, respectively. There were 19 non-employee directors for both years.

f. Employees' compensation and remuneration of directors and supervisors

The Corporation accrued employees' compensation and remuneration of directors and supervisors at the rates between 2% and 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2018 and 2017, which have been approved by the Corporation's board of directors on March 21, 2019 and March 23, 2018, respectively, were as follows:

	For the Year Ended December 31			
	2018		2017	
	Cash	Shares	Cash	Shares
Employees' compensation	$ 253,436	$ -	$ 147,850	$ -
Remuneration of directors and supervisors	223,658	-	130,120	-

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

There is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2017 and 2016.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Corporation's board of directors in 2019 and 2018 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

35. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31	
	2018	2017
Current tax		
In respect of the current year	$ 4,205,378	$ 1,745,115
Income tax on unappropriated earnings	22,260	12,887
Withholding tax on dividend	143,261	68,808
Adjustments for prior years	3,608	(10,858)
	4,374,507	1,815,952
Deferred tax		
In respect of the current year	974,372	17,666
Adjustments to deferred tax attributable to changes in tax rates and laws	132,042	-
	1,106,414	17,666
Income tax expense recognized in profit or loss	$ 5,480,921	$ 1,833,618

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2018	2017
Profit before tax from continuing operations	$ 20,370,118	$ 8,499,159
Income tax expense calculated at the statutory rate	$ 4,074,024	$ 1,444,857
Nondeductible expenses in determining taxable income	646,250	378,545
Tax-exempt income	(1,047,109)	(603,950)
Unrecognized deductible temporary differences	2,022,562	592,702
Tax on changes in fair value of investment properties	(19,411)	(404,492)
Unrecognized loss carryforwards	(82,852)	(10,221)
Investment credits	(441,247)	(21,523)
Effect of tax rate changes	132,042	-
Effect of different tax rate of the Group operating in other jurisdictions	14,167	372,876
Income tax on unappropriated earnings	22,260	12,887
Additional income tax under the Alternative Minimum Tax Act	13,366	13,987
Withholding tax on dividend	143,261	68,808
Adjustments for prior years' tax	3,608	(10,858)
Income tax expense recognized in profit or loss	$ 5,480,921	$ 1,833,618

In 2017, the applicable corporate income tax rate used by the Group in the ROC is 17%. However, the Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%, effective in 2018. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings will be reduced from 10% to 5%. The applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other entities in the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

As the status of 2019 appropriation of earnings is uncertain, the potential income tax consequences of the 2018 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2018	2017
Deferred tax		
In respect of the current year		
Fair value changes of financial assets at FVTOCI	$ (220,107)	$ -
Remeasurement on defined benefit plans	(64,194)	(26,422)
Fair value changes of available-for-sale financial assets	-	(210,243)
Total income tax recognized in other comprehensive income	$ (284,301)	$ (236,665)

c. Current tax assets and liabilities

	December 31	
	2018	2017
Current tax assets		
Tax refund receivable	$ 15,901	$ 23,145
Current tax liabilities		
Income tax payable	$ 2,181,268	$ 1,155,972

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, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for impaired receivables	$ 167,788	$ 39,199	$ -	$ (3,570)	$ 203,417
Defined benefit obligation	23,027	-	2,314	-	25,341
Other financial liabilities	-	8,943	-	-	8,943
Investment properties	4,124	112	-	(63)	4,173
Property, plant and equipment	21,526	(17,647)	-	61	3,940
FVTOCI financial assets	220,113	-	(220,113)	-	-
Others	75,217	53,746	-	(1,599)	127,364
	511,795	84,353	(217,799)	(5,171)	373,178
Tax losses	52,390	10,839	-	(169)	63,060
	$ 564,185	$ 95,192	$ (217,799)	$ (5,340)	$ 436,238
Deferred tax liabilities					
Temporary differences					
Land value increment tax	$ 3,449,871	$ -	$ -	$ -	$ 3,449,871
Investment properties	3,109,538	(19,915)	-	-	3,089,623
Unappropriated earnings of subsidiaries	654,553	1,110,236	-	(1,760)	1,763,029
Finance leases	547,736	68,627	-	-	616,363
Defined benefit obligation	245,265	26,596	66,502	-	338,363
Associates	65,639	(3,390)	-	(1,081)	61,168
Property, plant and equipment	22,033	10,844	-	-	32,877
Unrealized foreign exchange gain	4,671	6,701	-	-	11,372
Allowance for impaired receivables	84	212	-	-	296
Others	772	1,695	-	-	2,467
	$ 8,100,162	$ 1,201,606	$ 66,502	$ (2,841)	$ 9,365,429

For the year ended December 31, 2017

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
AFS financial assets	$ 430,356	$ -	$ (210,243)	$ -	$ 220,113
Allowance for impaired receivables	125,008	45,004	-	(2,224)	167,788
Defined benefit obligation	21,421	(2,331)	3,937	-	23,027
Property, plant and equipment	15,052	6,439	-	35	21,526
Investment properties	7,269	(2,974)	-	(171)	4,124
Others	97,433	(21,106)	-	(1,110)	75,217
	696,539	25,032	(206,306)	(3,470)	511,795
Tax losses	164,867	(108,960)	-	(3,517)	52,390
	$ 861,406	$ (83,928)	$ (206,306)	$ (6,987)	$ 564,185
Deferred tax liabilities					
Temporary differences					
Investment properties	$ 3,517,004	$ (407,466)	$ -	$ -	$ 3,109,538
Land value increment tax	3,449,871	-	-	-	3,449,871
Unappropriated earnings of subsidiaries	270,789	384,060	-	(296)	654,553
Finance leases	575,567	(27,831)	-	-	547,736
Defined benefit obligation	211,375	3,531	30,359	-	245,265
Associates	59,574	7,222	-	(1,157)	65,639
Property, plant and equipment	28,269	(5,937)	-	(299)	22,033
Unrealized foreign exchange gain	17,329	(12,658)	-	-	4,671
Allowance for impaired receivables	-	84	-	-	84
Others	8,039	(7,267)	-	-	772
	$ 8,137,817	$ (66,262)	$ 30,359	$ (1,752)	$ 8,100,162

e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2018	2017
Loss carryforwards		
Expire in 2018	$ 1,635	$ 195,232
Expire in 2019	561,999	588,358
Expire in 2021	222,721	222,721
Expire in 2022	247,162	263,267
Expire in 2023	27,752	27,752
Expire in 2024	58,219	60,080
Expire in 2025	299,401	302,557
Expire in 2026	156,574	9,042
Expire in 2027	23,022	69,659
	$ 1,598,485	$ 1,738,668

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2018 comprised the following:

Unused Amount	Expiry Year
$ 1,635	2018
561,999	2019
222,721	2021
247,162	2022
27,752	2023
58,219	2024
299,401	2025
156,574	2026
23,022	2027
197,002	No expiration
$ 1,795,487	

g. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2018 and 2017, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were $5,104,939 thousand and $4,477,570 thousand, respectively.

h. The latest years of income tax returns which had been examined and cleared by the tax authorities were as follows:

Company	Year	
The Corporation	2016	Note
DCI	2016	
YTRMC	2016	
YSRMC	2016	
FMT	2016	
AEE	2016	
AIC	2016	
FDT	2016	
YLPPC	2016	
FSMS	2016	
NHC	2016	
CHP	2016	
YLSS	2016	
YLT	2016	

Note: The tax returns through 2016, except 2013, have been assessed by the tax authorities. The Corporation disagreed with the tax authorities' assessment of its 2013 tax return and applied for a re-examination.

36. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2018	**2017**
Basic earnings per share	$ 3.54	$ 1.74
Diluted earnings per share	$ 3.49	$ 1.74

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

Net Profit for the Year

	For the Year Ended December 31	
	2018	**2017**
Profit for the period attributable to owners of the Corporation	$ 11,117,094	$ 5,469,007
Effect of potentially dilutive ordinary shares:		
Convertible bonds	26,638	1,377
Earnings used in the computation of diluted earnings per share	$ 11,143,732	$ 5,470,384

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Year Ended December 31	
	2018	**2017**
Weighted average number of ordinary shares in computation of basic earnings per share	3,139,152	3,139,297
Effect of potentially dilutive ordinary shares:		
Employees' compensation	8,585	5,937
Convertible bonds	44,656	2,420
Weighted average number of ordinary shares used in the computation of diluted earnings per share	3,192,393	3,147,654

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 that may be settled in shares or cash at the entity's option, the entity shall presume that the employee compensation 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 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.

37. FINANCIAL INSTRUMENTS

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

December 31, 2018

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
Bonds payable (include current portion)	$ 16,192,567	$ 16,719,158	$ -	$ -	$ 16,719,158

December 31, 2017

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
Bonds payable (include current portion)	$ 14,088,612	$ 14,096,452	$ -	$ -	$ 14,096,452

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

1) Fair value hierarchy

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed stocks	$ 3,502,988	$ -	$ -	$ 3,502,988
Beneficiary certificates	1,390,765	4,152,830	-	5,543,595
Overseas bonds	-	-	-	-
	$ 4,893,753	$ 4,152,830	$ -	$ 9,046,583
Financial assets at FVTOCI				
Domestic listed stocks	$ 11,774,012	$ -	$ -	$ 11,774,012
Domestic unlisted shares	-	-	1,537,291	1,537,291
Overseas listed stocks	152,337	-	-	152,337
Overseas unlisted shares	-	-	122,026	122,026
	$ 11,926,349	$ -	$ 1,659,317	$ 13,585,666
Financial liabilities at FVTPL				
Convertible options	$ -	$ -	$ 223,501	$ 223,501
Cross-currency swap contracts	-	-	44,717	44,717
	$ -	$ -	$ 268,218	$ 268,218

December 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Beneficiary certificates	$ 243,486	$ -	$ -	$ 243,486
Listed stocks	78,594	-	-	78,594
	$ 322,080	$ -	$ -	$ 322,080
Available-for-sale financial assets				
Domestic listed stocks	$ 14,013,961	$ -	$ -	$ 14,013,961
Overseas listed stocks	1,835,201	-	8,451,384	10,286,585
Beneficiary certificates	358,203	846,875	-	1,205,078
Overseas bonds	372,460	-	-	372,460
	$ 16,579,825	$ 846,875	$ 8,451,384	$ 25,878,084

There were no transfers between Levels 1 and 2 for the years ended December 31, 2018 and 2017.

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

For the year ended December 31, 2018

	Financial Liabilities at FVTPL	Financial Assets at FVTOCI
	Derivatives	Equity Instruments
Balance at January 1, per IAS 39	$ -	$ 8,451,384
Adjustment on initial application of IFRS 9	-	1,638,811
Balance at January 1, per IFRS 9	-	10,090,195
Recognized in profit or loss		
Net gain (loss) on financial liabilities at FVTPL	47,303	-
Recognized in other comprehensive income		
Unrealized gain (loss) on financial assets at FVTOCI	-	1,361,674
Purchases	220,915	-
Transfers out of Level 3	-	(9,792,552)
Balance at December 31, 2018	$ 268,218	$ 1,659,317

For the year ended December 31, 2017

	Available-for-sale Equity Instruments
Balance at January 1, 2017	$ 4,619,464
Recognized in other comprehensive income (loss)	2,932,811
Purchases	899,109
Balance at December 31, 2017	$ 8,451,384

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Mutual funds	The Group uses net asset value as the basis 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 Level 3 fair value measurement

a) The fair values of convertible bond options are determined using the information available from the counterparty for valuation 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 valuation. 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 reflect the credit risk of various counterparties.

c) The fair value of equity securities suspended for trading and therefore without quoted price was 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 is measured by weighted average multiple value of (i) EV/sales, (ii) EV/EBITDA, and (iii) P/B of other comparable listed companies. In market value approach, the fair value is estimated based on the average closing price before security suspension. Liquidity risk parameters need to be taken into account when using these approaches. Due to the long period of security trading suspension, the market value approach had become irrelevant. Therefore, the fair value was determined only by using the weighted average of values calculated under market-based approach as of December 31, 2017.

i. EV/Sales: Enterprise value ÷ Sales.

ii. EV/EBITDA: Enterprise value ÷ Earnings before interest, taxes, depreciation and amortization.

iii. P/B: Price ÷ Book value.

d) The fair values of unlisted stocks are determined by using the asset approach or the market approach. In the asset approach, the fair values are estimated by using the net asset value measured at fair value based on the unlisted investees' latest financial statements, while taking into account the liquidity discount and non-controlling interest discount. In the market approach, the fair values are estimated based on the market transaction prices of comparable companies with similar industrial and business characteristics and liquidity discount are considered.

c. Categories of financial instruments

	December 31	
	2018	**2017**
Financial assets		
Financial assets at FVTPL	$ 9,046,583	$ 322,080
Available-for-sale financial assets (2)	-	27,178,752
Financial assets at amortized cost (3)	55,388,001	-
Loans and receivables (1)	-	33,580,103
Financial assets at FVTOCI	13,585,666	-
Financial liabilities		
Financial liabilities at FVTPL	268,218	-
Financial liabilities at amortized cost (4)	105,054,422	89,001,025

1) The balances include 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 include the carrying amount of available-for-sale financial assets measured at cost.

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

4) The balances include financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term and long-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 receivables, 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 foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group mitigates the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Corporation's board of directors, which provides written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the 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 expose it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

Several subsidiaries of the Corporation have foreign currency sales and purchases and foreign currency financing activities, which expose 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 42.

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. The analysis assumed 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 weakened by 5% against the relevant currency. For a 5% strengthening 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	
	2018	2017	2018	2017
Increase (decrease) in pre-tax profit	$ 69,060	$ 44,109	$ 145,181	$ 310,190

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrows 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 cross currency swap contracts.

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

	December 31	
	2018	2017
Fair value interest rate risk		
Financial assets	$ 17,727,715	$ 5,148,393
Financial liabilities	45,872,001	37,994,264
Cash flow interest rate risk		
Financial assets	12,084,642	7,541,702
Financial liabilities	50,569,182	43,016,795

Sensitivity analysis

The sensitivity analysis below is based on the Group's exposure to changes in interest rates of 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, 2018 and 2017 would have decreased/increased by $3,698 thousand and $3,264 thousand, respectively, mainly due to the Group's exposure to changes in interest rates of its variable-rate bank borrowings and bank deposits.

c) Other price risk

The Group is exposed to price risk through its investments in listed equity securities, corporate bonds and beneficiary certificates of funds.

Sensitivity analysis

The sensitivity analysis below is 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 year ended December 31, 2018 would have increased/decreased by $90,466 thousand as a result of the changes in fair value of financial assets at fair value through profit or loss, and the pre-tax other comprehensive income for the year ended December 31, 2018 would have increased/decreased by $119,263 thousand as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

If investment position prices had been 1% higher/lower, pre-tax profit for the year ended December 31, 2017 would have increased/decreased by $3,221 thousand as a result of the changes in fair value of held-for-trading investments, and the pre-tax other comprehensive income for the year ended December 31, 2017 would have increased/decreased by $174,267 thousand 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 would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group is equal to the carrying amount of the 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 a large number of clients in different industries and regions. The Group evaluates clients' financial condition continuously.

Credit risk represents the potential negative impact on the financial assets of the Group if counterparties or third parties breach the contracts. The Group evaluates credit risk exposure on 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 tables detail 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, 2018

	Effective Interest Rate (%)	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		$ 4,323,700	$ 2,662,290	$ 866,745	$ 690,195	$ 70,309
Variable interest rate liabilities	3.02	6,735,000	6,725,614	8,508,552	28,600,016	-
Fixed interest rate liabilities	0.87	17,746,801	6,213,450	4,725,303	17,186,447	-
		$ 28,805,501	$ 15,601,354	$ 14,100,600	$ 46,476,658	$ 70,309

December 31, 2017

	Effective Interest Rate (%)	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		$ 3,498,318	$ 2,755,509	$ 937,458	$ 807,978	$ 60,789
Variable interest rate liabilities	2.91	6,473,000	553,142	13,703,024	22,287,629	-
Fixed interest rate liabilities	0.90	14,558,597	4,254,072	4,191,403	14,990,192	-
		$ 24,529,915	$ 7,562,723	$ 18,831,885	$ 38,085,799	$ 60,789

The amounts above of variable interest rate non-derivative financial assets and liabilities are subject to change if actual variable interest rates differ from those estimates of interest rates at the end of the reporting period.

b) Liquidity and interest rate tables for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is 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, 2018

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Cross-currency swap contracts	$ -	$ (39,911)	$ (139,437)	$ (322,827)	$ -

e. Transfers of financial assets. None.

f. Offsetting financial assets and financial liabilities. None.

g. Reclassifications. None.

38. 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. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

Transactions with related parties are conducted under normal terms.

Balances and transactions between the Group and single related party are disclosed separately except when the amount is less than 10% of the total balances or transactions; otherwise, the amounts are lumped together as others.

a. Related party name and category

Related Party Name	Related Party Category
FENC	Associates
U-Ming	Associates
SHSTC	Associates
EISF	Associates
PGIC	Associates
YDC	Associates
OSC	Associates
HZYCCL	Associates
FEDSDL	Associates
YDLC	Associates
FEC	Associates
YYI	Associates
YDEC	Associates
Alliance	Joint ventures
PEI	Joint ventures
HXMC	Joint ventures
WAMTC	Joint ventures
Malaysia Garment Manufacturers Private Limited	Others
U-Ming Transport (Singapore) Private Limited	Others
CHC Resources Corporation	Others
Far Eastern Department Store Ltd.	Others
Chu Chiang Enterprise Corp. Ltd.	Others
Chu Feng	Others
Air Liquide Far Eastern Co.	Others
Oriental Petrochemical (Taiwan) Corporation	Others
Far Eastern Memorial Hospital	Others
Ya Tung Department Store Ltd.	Others
Yuan Ze University	Others
Oriental Resources Development Co., Ltd.	Others

(Continued)

Related Party Name	Related Party Category
Far Eastern Leasing Corporation	Others
Ho Hwei Enterprise Corp. Ltd.	Others
Far Eastern Apparel Co., Ltd.	Others
Oriental Union Chemical Corp.	Others
NanKung Enterprise Ltd.	Others
New Century InfoComm Tech Co., Ltd.	Others
Ding & Ding Management Consultants Co., Ltd.	Others
Far Eastern Fibertech Co., Ltd.	Others
Far Eastern Technical Consultants Co., Ltd.	Others
Far Eastern International Bank (FEIB)	Others
FENCC	Others
Far Eastern New Apparel (Vietnam) Ltd.	Others
Far Eastern Polytex (Vietnam) Ltd.	Others
FERD	Others
Far Eastern General Construction Inc.	Others
Far EasTone Telecommunications Co., Ltd.	Others
YDES	Others
Far Eastern Property Insurance Agency Co., Ltd.	Others
Far Eastern International Leasing Corporation	Others
Lien Fang Enterprise Corp. Ltd.	Others
Chubei New Century Shopping Mall Co., Ltd.	Others
Far Eastern Electronic Toll Collection Co., Ltd.	Others
Mr. Xu Yuanzhi Memorial Foundation	Others
YDT Technology International Corporation	Others
J-Power Investment Netherlands	Others
Pan Asia Engineers & Constructors Corp.	Others

Note: Other related party relationships 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.

b. Operating Transactions

	For the Year Ended December 31	
	2018	2017
Operating revenue		
Associates	$ 694,540	$ 827,705
Others	1,766,679	1,292,096
Joint ventures	497,486	572,602
	$ 2,958,705	$ 2,692,403
Operating cost		
Associates	$ 601,236	$ 536,858
Others	907,989	705,900
Joint ventures	653,781	477,500
	$ 2,163,006	$ 1,720,258

Receivables from related parties (including notes receivable, trade receivables, other receivables and contract assets):

	December 31	
	2018	2017
Associates	$ 120,926	$ 96,716
Others		
FENCC	1,929,748	1,963,784
Others	1,243,535	932,451
	3,173,283	2,896,235
Joint ventures	268,741	267,762
	$ 3,562,950	$ 3,260,713

Accounts payable and accrued expenses to related parties:

	December 31	
	2018	2017
Associates	$ 98,574	$ 98,160
Others	83,694	64,090
Joint ventures	68,588	110,110
	$ 250,856	$ 272,360

The outstanding trade payables and receivables from related parties are unsecured. For the years ended December 31, 2018 and 2017, no allowance for impairment was recognized on trade receivables from related parties.

Prepayments:

	December 31	
	2018	2017
Associates	$ 15,000	$ 15,000
Others	77	94
Joint ventures	-	48,610
	$ 15,077	$ 63,704

c. Transactions with FEIB

	December 31	
	2018	2017
Bank deposits (Note)	$ 3,361,915	$ 5,977,545
Bank loans	$ 2,106,000	$ 2,120,000

Note: The balances included amounts recognized as debt investments with no active market, financial assets measured at amortized cost, and other non-current assets (refundable deposits).

d. Compensation of key management personnel

The amounts of the compensation of directors and other key management personnel for the years ended December 31, 2018 and 2017 were as follows:

	For the Year Ended December 31	
	2018	2017
Short-term employee benefits	$ 282,998	$ 187,440
Post-employment benefits	756	756
	$ 283,754	$ 188,196

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

e. Other transactions with related parties

1) Operating expense - rental

	For the Year Ended December 31	
	2018	2017
Associates	$ 50,433	$ 51,603
Others	19,073	13,840
	$ 69,506	$ 65,443

2) Acquisitions of property, plant and equipment

	For the Year Ended December 31	
	2018	2017
Others	$ 34	$ -

3) Acquisitions of investment properties

	For the Year Ended December 31	
	2018	2017
Others	$ 337	$ 1,186

4) 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 is made and managed by the investment committee which is composed of the Corporation and other investors. The Group's investment activities through OFSPC's platform for the years ended December 31, 2018 and 2017 included acquisition of $4,065,473 thousand and $151,050 thousand and disposal of $0 thousand and $640,424 thousand as well as gain on disposal of $0 thousand and $55,741 thousand, respectively.

5) The Corporation's subsidiary, DCI, subscribed for shares of Catalyst Tranche One and paid $123,120 thousand in 2018.

39. 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-year 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 refundable deposits paid under operating lease contracts as of December 31, 2018 and 2017, were $34,145 thousand and $15,798 thousand, respectively.

The future minimum lease payments for non-cancellable operating lease commitments are as follows:

	December 31	
	2018	2017
Not later than 1 year	$ 302,209	$ 321,955
Later than 1 year and not later than 5 years	941,408	953,410
Later than 5 years	2,940,674	3,231,833
	$ 4,184,291	$ 4,507,198

The Group's rent expenses on the above operating lease contracts were $320,313 thousand and $254,632 thousand for the years ended December 31, 2018 and 2017, respectively.

Refer to Note 23 for the information on land use rights of the Group on leases located in mainland China, Hong Kong, Singapore and Vietnam.

b. Refer to Notes 14 and 20 for the information of the Group as lessor.

40. ASSETS PLEDGED AS COLLATERAL

The following assets are provided as collaterals for short-term and long-term bank borrowings or for purchases from suppliers.

	December 31	
	2018	2017
Investment properties	$ 13,840,249	$ 13,915,794
Investments accounted for using equity method	13,374,748	12,710,318
Property, plant and equipment	2,830,624	3,076,926
Financial assets at fair value through other comprehensive income	1,241,250	-
Financial assets at amortized cost	169,139	-
Available-for-sale financial assets	-	1,193,250
Debt investment with no active market	-	228,560
	$ 31,456,010	$ 31,124,848

41. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2018, the Corporation and its subsidiaries had the following significant commitments and contingencies:

a. Unused letters of credit of JPY31,120 thousand, US$17,474 thousand and EUR131 thousand.

b. Guarantee notes issued for related parties:

The Corporation

	December 31, 2018
AIC	$ 12,039,900
DCI	8,769,975
NHC	1,339,310
YLPPC	497,642
AEE	422,660
YSRMC	150,000
FSMS	30,000
	$ 23,249,487

DCI	
AC Mega IV Investment Ltd.	$ 214,655
FSMS	50,000
	$ 264,655

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) Contractual Service Agreement with General Electric International, Inc.

d. The estimated payments for construction of plants and acquisition of land use rights and equipment of JYDC, SIYDCCL, HGYDC and SLCL in the future amount to RMB517,566 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, they did not reach an agreement from year 2006 to 2009. Da Cin filed an appeal and requested YSRMC to indemnify $22,881 thousand in April 2010. In July 2014, the local court concluded that YSRMC has to pay indemnity in the amount of $17,642 thousand. In years 2010 and 2014, YSRMC had estimated related compensation loss, accounted for as provisions, of $13,800 thousand and $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 $137,544 thousand in the second instance and the total damage compensation claimed was $160,425 thousand together with the amount in the first instance. As of the date the financial statements were authorized for issue, the case is in the process of examination by the Supreme Court so YSRMC cannot make reasonable estimate about the judgment. YSRMC did not recognize additional compensation loss up to the auditors' report date.

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 TPC and fined CHP $400,000 thousand. Accordingly, CHP recognized penalty expenses, which is included in other losses in the consolidated financial statements for the year ended December 31, 2013. The penalty is payable in 60 monthly installments and covered by a long-term note payable. 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 $370,000 thousand on November 13, 2013. CHP thus adjusted the penalty expenses in other gains and losses 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 $364,000 thousand on July 9, 2014. CHP recognized a reversal gain of $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 on the Act Disposition.

Regarding the Act Disposition, on November 7, 2013, CHP filed an administrative litigation at the Taipei High Administrative Court against the dispositions of the Fair Trade Commission. 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. The Taipei High Administrative Court remanded the judgement on May 25, 2017 and still revoked the administrative disciplinary action and the judgement of the appeal. The Fair Trade Commission filed an appeal with the Supreme Administrative Court and the Taipei High Administrative Court filed an appeal to the Supreme Administrative Court on September 27, 2018. This case is currently heard by the Taipei High Administrative Court.

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 TPC. Accordingly, in August 2015, TPC filed at the Taipei District Court a civil mediation which requests CHP to compensate $2.35 billion plus interest from November 1, 2007 to the settlement date for the damage caused. Later, in September 2015, TPC filed at the Taipei District Court a civil litigation appeal which requests CHP to compensate $2.349 billion plus interest from November 1, 2007 to the settlement date as well as an apology published in major newspapers. TPC also filed at the Taipei High Administrative Court an administrative litigation which requests CHP to compensate the damage caused which amounted to $1.4 billion plus interest from November 1, 2007 to the settlement date with a 5% annual interest rate.

CHP and TPC did not reach an agreement in the civil mediation council meeting held on October 7, 2015. Later, TPC 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 $3.75 billion plus interest from November 1, 2007 to the settlement date with a 5% annual interest rate. On November 27, 2015, the administrative court ruled that the litigation proceedings are suspended until the administrative court makes the final judgment on the Act Disposition. However, on July 12, 2016, Taipei High Administrative Court notified that the power purchase and sales contracts between independent power producers and TPC are subject to the performance of obligation under the Civil Code. Therefore, the abovementioned ruling for suspension

was revoked and the administrative litigation for compensation would be transferred to the Taipei District Court. TPC filed counter appeal against the ruling; however, the appeal was dismissed by the Supreme Administrative Court on December 30, 2016. This case has been transferred to the Taipei District Court on January 25, 2017.

In light of the civil proceedings, on March 1, 2016, TPC added posterior statement which requests the capital expenditure it paid to CHP from October 9, 2007 to November 30, 2012 according to the power purchase and sales contracts to be recalculated relying on CHP's capital ratio. Accordingly, CHP would compensate at least $2.349 billion to TPC. The Taipei District Court dismissed the appeal on November 1, 2018, and CHP filed an appeal subsequently. This case is currently heard by the Taiwan High Court.

The Corporation considered the payment of the indemnity is not possible unless TPC can provide proof that the damage was caused by the Corporation and their appeal is filed within the statute of limitation. As of the date the financial statements were authorized for issue, the amount of the compensation cannot be reasonably estimated. Therefore, the Corporation could not assess the possible impact on its financial position and did not recognize any contingent liabilities.

h. On December 4, 2015 and December 17, 2015, CSCGL, China Shanshui Cement Group (Hong Kong) Company Limited and China Pioneer Cement (Hong Kong) Company Limited (collectively referred as "Shanshui Cement Group") commenced legal proceedings against former directors of CSCGL in respect of alleged dishonest breaches of fiduciary duty or alleged conspiracy to injure CSCGL during their tenures. The proceedings arose from disputes between CSCGL's present and former board of directors over the changes in management and the takeover of the headquarters of CSCGL. On April 7, 2016, the Corporation was added as the 10th defendant. The Corporation has engaged lawyers to take legal actions in connection with the unqualified claim to defend its reputation and interests. Up to the date of the auditors' report, the proceedings are still ongoing and it is premature to make any assessment of the likely outcome of the action. Therefore, the Corporation did not recognize any contingent liabilities.

i. Tianrui Group Company Limited and Tianrui (International) Holding Company Limited (collectively referred as "Tianrui Group"), CSI and former and present directors of CSCGL, in breach of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Codes on Takeovers and Mergers and share Buy-backs issued by the Hong Kong Securities and Futures Commission and the fiduciary duties, have engaged in unfair prejudicial conducts in favor of Tianrui directly and indirectly through CSCGL which are detrimental to the interests of shareholders including the Corporation. The Corporation has filed a writ of summons in the High Court of Hong Kong Special Administrative Region and the Grand Court of the Cayman Islands in June and August 2017, respectively. The Corporation is seeking legal advice in relation to the legal proceedings. Up to the date of the auditors' report, the trial date has not been set. The Corporation's appointed attorney has been actively following up on the legal proceedings.

42. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2018

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
RMB	$ 309,127	4.468	$ 1,381,194
USD	591,160	30.665	18,127,926
EUR	10,002	35	350,055
AUD	2,873	21.55	61,912
HKD	2,015	3.891	7,839
Non-monetary item			
RMB	37,516	4.468	167,621
USD	804,287	30.665	24,663,454
HKD	618,269	3.891	2,405,686
Financial liabilities			
Monetary items			
USD	496,687	30.665	15,230,907
Non-monetary item			
USD	8,747	30.665	268,218

December 31, 2017

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
RMB	$ 194,020	4.5468	$ 882,181
USD	244,746	29.71	7,271,405
JPY	862,447	0.2622	226,134
AUD	2,817	23.07	64,988
Non-monetary item			
RMB	121,305	4.5468	551,557
USD	33,191	29.71	986,094
HKD	2,605,975	3.777	9,842,767
Financial liabilities			
Monetary items			
USD	35,934	29.71	1,067,596

For the years ended December 31, 2018 and 2017, the total amounts of realized and unrealized net foreign exchange losses were $90,672 thousand and $(454,600) thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency because of the variety of the foreign currency transactions and functional currencies of the Group.

43. 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 investments in subsidiaries, associates and joint ventures): 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: Note 7.

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: Table 8.

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).

44. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the 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 revenue and results

Reportable operating segments' revenue and profits are as follows:

	Segment Revenue		Segment Profit	
	For the Year Ended December 31		For the Year Ended December 31	
	2018	2017	2018	2017
Cement	$ 67,339,927	$ 49,651,029	$ 15,951,898	$ 5,554,248
Electric power	6,682,384	6,114,715	1,205,596	1,038,985
Investment	587,275	621,206	253,553	358,616
Engineering	286,691	416,920	55,836	(54,112)
Transportation	1,802,744	1,699,538	381,152	202,375
Stainless steel	5,676,843	6,036,722	119,963	164,860
Leasing	365,140	359,118	185,112	171,744
	$ 82,741,004	$ 64,899,248	18,153,110	7,436,716
Non-operating income and expenses			2,217,008	1,062,443
Income before income tax			$ 20,370,118	$ 8,499,159

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 external customers and information about its non-current assets by geographical location are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		For the Year Ended December 31	
	2018	2017	2018	2017
China	$ 51,366,180	$ 35,284,969	$ 45,206,253	$ 49,973,176
Taiwan	27,647,571	25,860,444	50,299,590	47,329,406
Others	3,727,253	3,753,835	623,944	656,989
	$ 82,741,004	$ 64,899,248	$ 96,129,787	$ 97,959,571

Revenue is categorized according to customers' location. Non-current assets exclude 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

	Revenue			
	For the Year Ended December 31			
	2018		2017	
	Amount	%	Amount	%
Taiwan Power Company	$ 6,682,384	8	$ 6,114,715	9

ASIA CEMENT CORPORATION AND INVESTEES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2018
(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	FENCC	Other receivables	Y	RMB651,000 thousand (equivalent to NT$2,908,697 thousand)	RMB431,900 thousand (equivalent to NT$1,929,748 thousand)	RMB431,900 thousand (equivalent to NT$1,929,748 thousand)	-	Necessary for short-term financing	$ -	Operating capital	$ -	-	$ -	20% of net worth RMB2,417,582 thousand (equivalent to NT$10,801,863 thousand)	50% of net worth RMB6,043,955 thousand (equivalent to NT$27,004,657 thousand)
		YDES	Other receivables	Y	RMB230,000 thousand (equivalent to NT$1,027,650 thousand)	RMB230,000 thousand (equivalent to NT$1,027,650 thousand)	RMB114,699 thousand (equivalent to NT$512,478 thousand)	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
2	OHC	NYLC	Other receivables	Y	RMB5,000 thousand (equivalent to NT$22,340 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB399,973 thousand (equivalent to NT$1,787,097 thousand)	50% of net worth RMB999,933 thousand (equivalent to NT$4,467,745 thousand)
		WYXC	Other receivables	Y	RMB10,000 thousand (equivalent to NT$44,680 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		TZOCCL	Other receivables	Y	RMB25,000 thousand (equivalent to NT$111,701 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SHYLCP	Other receivables	Y	RMB95,000 thousand (equivalent to NT$424,464 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SYCPCL	Other receivables	Y	RMB15,000 thousand (equivalent to NT$67,021 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		CYCPCL	Other receivables	Y	RMB10,000 thousand (equivalent to NT$44,680 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB240,000 thousand (equivalent to NT$1,072,331 thousand)	RMB240,000 thousand (equivalent to NT$1,072,331 thousand)	RMB193,000 thousand (equivalent to NT$862,332 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCCL	Other receivables	Y	RMB35,000 thousand (equivalent to NT$156,382 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SIYDCCL	Other receivables	Y	RMB160,000 thousand (equivalent to NT$714,887 thousand)	RMB160,000 thousand (equivalent to NT$714,887 thousand)	RMB140,000 thousand (equivalent to NT$625,526 thousand)	4.57%	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		
3	JYDC	YYDCCL	Other receivables	Y	RMB160,000 thousand (equivalent to NT$714,887 thousand)	RMB160,000 thousand (equivalent to NT$714,887 thousand)	RMB115,000 thousand (equivalent to NT$513,825 thousand)	4.57%	Necessary for short-term financing	$ -	Operating capital	$ -	-	$ -	20% of net worth RMB1,116,765 thousand (equivalent to NT$4,989,755 thousand)	50% of net worth RMB2,791,912 thousand (equivalent to NT$12,474,386 thousand)
		TZOCCL	Other receivables	Y	RMB145,000 thousand (equivalent to NT$647,866 thousand)	RMB145,000 thousand (equivalent to NT$647,866 thousand)	RMB95,000 thousand (equivalent to NT$424,464 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		HGYDC	Other receivables	Y	RMB90,000 thousand (equivalent to NT$402,124 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		NYLC	Other receivables	Y	RMB5,000 thousand (equivalent to NT$22,340 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SIYDCCL	Other receivables	Y	RMB300,000 thousand (equivalent to NT$1,340,413 thousand)	RMB100,000 thousand (equivalent to NT$446,804 thousand)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB500,000 thousand (equivalent to NT$2,234,022 thousand)	RMB400,000 thousand (equivalent to NT$1,787,218 thousand)	RMB132,000 thousand (equivalent to NT$589,782 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		CYCPCL	Other receivables	Y	RMB5,000 thousand (equivalent to NT$22,340 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCCL	Other receivables	Y	RMB35,000 thousand (equivalent to NT$156,382 thousand)	RMB35,000 thousand (equivalent to NT$156,382 thousand)	RMB34,000 thousand (equivalent to NT$151,913 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SHYLCP	Other receivables	Y	RMB100,000 thousand (equivalent to NT$446,804 thousand)	RMB100,000 thousand (equivalent to NT$446,804 thousand)	RMB60,000 thousand (equivalent to NT$268,083 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
4	NYDC	SHYLCP	Other receivables	Y	RMB5,000 thousand (equivalent to NT$22,340 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB34,781 thousand (equivalent to NT$155,403 thousand)	50% of net worth RMB86,953 thousand (equivalent to NT$388,510 thousand)
		NYLC	Other receivables	Y	RMB10,000 thousand (equivalent to NT$44,680 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SIYDCCL	Other receivables	Y	RMB14,000 thousand (equivalent to NT$62,553 thousand)	RMB14,000 thousand (equivalent to NT$62,553 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB14,000 thousand (equivalent to NT$62,553 thousand)	RMB14,000 thousand (equivalent to NT$62,553 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	4.57%	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		
5	HYDCCL	WYXC	Other receivables	Y	RMB60,000 thousand (equivalent to NT$268,083 thousand)	RMB60,000 thousand (equivalent to NT$268,083 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	4.57%	Necessary for short-term financing	$ -	Operating capital	$ -	-	$ -	20% of net worth RMB483,712 thousand (equivalent to NT$2,161,246 thousand)	50% of net worth RMB1,209,279 thousand (equivalent to NT$5,403,112 thousand)
		HXMC	Other receivables	Y	RMB115,000 thousand (equivalent to NT$513,825 thousand)	RMB40,000 thousand (equivalent to NT$178,722 thousand)	RMB24,500 thousand (equivalent to NT$109,467 thousand)	4.68%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYCPCL	Other receivables	Y	RMB35,000 thousand (equivalent to NT$156,382 thousand)	RMB35,000 thousand (equivalent to NT$156,382 thousand)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB170,000 thousand (equivalent to NT$759,567 thousand)	RMB150,000 thousand (equivalent to NT$670,207 thousand)	RMB105,000 thousand (equivalent to NT$469,145 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SYCPCL	Other receivables	Y	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SIYDCCL	Other receivables	Y	RMB130,000 thousand (equivalent to NT$580,846 thousand)	RMB80,000 thousand (equivalent to NT$357,444 thousand)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
6	WYDC	WYXC	Other receivables	Y	RMB60,000 thousand (equivalent to NT$268,083 thousand)	RMB60,000 thousand (equivalent to NT$268,083 thousand)	RMB60,000 thousand (equivalent to NT$268,083 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB116,013 thousand (equivalent to NT$518,351 thousand)	50% of net worth RMB290,031 thousand (equivalent to NT$1,295,871 thousand)
		WYCPCL	Other receivables	Y	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB35,000 thousand (equivalent to NT$156,382 thousand)	RMB25,000 thousand (equivalent to NT$111,701 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SYCPCL	Other receivables	Y	RMB30,000 thousand (equivalent to NT$134,041 thousand)	RMB30,000 thousand (equivalent to NT$134,041 thousand)	RMB30,000 thousand (equivalent to NT$134,041 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB90,000 thousand (equivalent to NT$402,124 thousand)	RMB90,000 thousand (equivalent to NT$402,124 thousand)	RMB90,000 thousand (equivalent to NT$402,124 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
7	CYCPCL	SIYDCCL	Other receivables	Y	RMB10,000 thousand (equivalent to NT$44,680 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB13,628 thousand (equivalent to NT$60,891 thousand)	50% of net worth RMB34,070 thousand (equivalent to NT$152,226 thousand)
		SLCL	Other receivables	Y	RMB10,000 thousand (equivalent to NT$44,680 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
8	HGYDC	SIYDCCL	Other receivables	Y	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB20,000 thousand (equivalent to NT$89,361 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB236,851 thousand (equivalent to NT$1,058,261 thousand)	50% of net worth RMB592,128 thousand (equivalent to NT$2,645,654 thousand)
		SLCL	Other receivables	Y	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB50,000 thousand (equivalent to NT$223,402 thousand)	4.57%	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		
9	NYLC	SIYDCCL	Other receivables	Y	RMB16,000 thousand (equivalent to NT$71,489 thousand)	RMB16,000 thousand (equivalent to NT$71,489 thousand)	$ -	-	Necessary for short-term financing	$ -	Operating capital	$ -	-	$ -	20% of net worth RMB36,830 thousand (equivalent to NT$164,558 thousand)	50% of net worth RMB92,074 thousand (equivalent to NT$411,391 thousand)
		SLCL	Other receivables	Y	RMB16,000 thousand (equivalent to NT$71,489 thousand)	RMB16,000 thousand (equivalent to NT$71,489 thousand)	-	-	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, 2018.

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, 2018.

Note 4: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2018.

(Concluded)

ASIA CEMENT CORPORATION AND INVESTEES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2018
(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 (Note 1)	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 ($68,946,113)	$ 12,054,300	$ 12,039,900	$ 8,130,000	None	8.73	100% of net worth ($137,892,226)	Y	-	-
		DCI	b	Same as above	8,773,575	8,769,975	4,800,000	None	6.36	Same as above	Y	-	-
		FSMS	b	Same as above	30,000	30,000	30,000	None	0.02	Same as above	Y	-	-
		NHC	b	Same as above	1,340,920	1,339,310	445,000	None	0.97	Same as above	Y	-	-
		AEE	b	Same as above	423,620	422,660	160,000	None	0.31	Same as above	Y	-	-
		YLPPC	b	Same as above	497,642	497,642	177,975	None	0.36	Same as above	Y	-	-
		YSRMC	b	Same as above	150,000	150,000	55,000	None	0.11	Same as above	Y	-	-
1	DCI	FSMS	b	50% of net worth ($6,236,401)	50,000	50,000	-	None	0.40	100% of net worth ($12,472,801)	Y	-	-
		ACM IV	b	Same as above	216,335	214,655	-	$214,655	1.72	Same as above	Y	-	-
2	Asia Oriental (Guam) L.L.C.	PEREZ - AOG, L.L.C.	b	50% of net worth (US$851 thousand) (equivalent to NT$26,085 thousand)	15,333	-	-	None	-	100% of net worth (US$1,701 thousand) (equivalent to NT$52,169 thousand)	Y	-	-
3	ACCHC	PIHPL	b	50% of net worth (RMB6,043,955 thousand) (equivalent to NT$27,004,655 thousand)	919,950	-	-	None	-	100% of net worth (RMB12,087,909 thousand) (equivalent to NT$54,009,309 thousand)	Y	-	-

Note 1: The net value was calculated based on audited financial statements as of December 31, 2018.

Note 2: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2018.

Note 3: The relationship between guarantor and guarantee are as follows:

a. Firms that do business with the Corporation.
b. Firms of which the Corporation holds, directly or indirectly, over 50% of the voting shares.

ASIA CEMENT CORPORATION (EXCLUDING SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES)

MARKETABLE SECURITIES HELD
DECEMBER 31, 2018
(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, 2018				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	Beneficiary certificates							
	Deutsche Far Eastern DWS Taiwan Flagship Security Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	10,000,000	$ 135,400	-	$ 135,400	
	Common stocks							
	China Conch Venture Holding	-	Financial assets at fair value through profit or loss - current	11,443,000	1,037,426	0.63	1,037,426	
	Far EasTone	The same chairman	Financial assets at fair value through other comprehensive income - current	31,034,372	2,371,026	0.95	2,371,026	Note 4
	Far Eastern Department Stores Ltd.	The same chairman	Financial assets at fair value through other comprehensive income - noncurrent	80,052,950	1,256,831	5.65	1,256,831	
	Oriental Union Chemical Corp.	The same chairman	Same as above	63,766,522	1,645,176	7.20	1,645,176	
	CHC Resources Corporation	The Corporation is its director	Same as above	22,801,185	1,142,339	9.17	1,142,339	
	Far Eastern International Bank	The chairman of the Corporation is its vice-chairman	Same as above	76,842,263	768,423	2.35	768,423	
	KRT	-	Same as above	15,873,243	83,040	5.70	83,040	
	Taiwan Stock Exchange Corp.	-	Same as above	8,028,922	439,664	1.16	439,664	
	DDH	Related party in substance	Same as above	555,625	-	0.53	-	
	L' Hotel de Chine Hotel	-	Same as above	598,121	24,427	0.31	24,427	
	China Trade & Development Corp.	-	Same as above	250,003	3,902	0.38	3,902	
	Pan Asia Engineers & Constructors Corp.	The Corporation is its director	Same as above	1,551,395	22,340	1.36	22,340	
	Linkou Recreation Corporation	-	Same as above	5	-	0.5	-	
DCI	Beneficiary certificates							
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	400,000	30,200	-	30,200	
	Mega Target Return Strategy Fund of ETF Funds	-	Same as above	1,000,811	9,608	-	9,608	
	ChinaAMC CSI 300 Index ETF	-	Same as above	540,000	74,065	0.20	74,065	
	Opas Fund Segregated Portfolio Tranche A	Related party in substance	Same as above	8,000	259,519	-	259,519	
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Same as above	1,352	51,698	-	51,698	
	Opas Fund Segregated Portfolio Tranche D	Related party in substance	Same as above	56,000	1,716,669	-	1,716,669	
	Opas Fund Segregated Portfolio Tranche E	Related party in substance	Same as above	4,070	151,615	-	151,615	
	Common stocks							
	Industrial and Commercial Bank of China, A share	-	Financial assets at fair value through profit or loss - current	2,000,000	47,272	-	47,272	
	China Mobile Communications Corporation	-	Same as above	210,000	61,569	-	61,569	
	Haitong Securities Co., Ltd.	-	Same as above	1,800,000	52,528	0.05	52,528	
	Taiwan Cement Co., Ltd.	-	Same as above	7,501,400	267,050	0.14	267,050	
	Hsing Ta Cement Co., Ltd.	-	Same as above	12,247,854	169,020	3.58	169,020	
	Chunghwa Picture Tubes, Ltd.	-	Same as above	275,223	171	-	171	
	Innolux Corporation	-	Same as above	9,200,000	89,424	0.09	89,424	
	Pegatron Corporation	-	Same as above	1,242,000	63,839	0.05	63,839	
	Delta Electronics Inc.	-	Same as above	1,080,000	139,860	0.04	139,860	
	Tong Yang Industry Co., Ltd	-	Same as above	1,632,000	60,139	0.28	60,139	
	First Financial Holding Co., Ltd.	-	Same as above	2,950,210	59,004	0.02	59,004	
	Taiwan Semiconductor Manufacturing Co., Ltd	-	Same as above	450,000	101,475	0.00	101,475	
	E Ink Holdings corporation	-	Same as above	1,130,000	34,070	0.10	34,070	
	Casetek Holdings Limited	-	Financial assets at fair value through other comprehensive income - current	1,050,000	41,317	0.25	41,317	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2018				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	China Life Insurance Company Limited, H share	-	Same as above	607,000	$ 39,301	0.01	$ 39,301	
	Far Eastern International Bank	The chairman of the Corporation's major stockholder is its vice-chairman	Same as above	36,720,075	367,201	1.12	367,201	
	Oriental Union Chemical Corp.	Same chairman with the major stockholder	Same as above	41,246	1,064	-	1,064	
	Far EasTone	Same chairman with the major stockholder	Same as above	215,000	16,426	0.01	16,426	
	Mega Financial Holding Co., Ltd.	-	Same as above	9,958,000	258,410	0.07	258,410	
	Far Eastern International Bank	The chairman of the Corporation's major stockholder is its vice-chairman	Financial assets at fair value through other comprehensive income - noncurrent	94,924,216	949,242	2.90	949,242	
	Far Eastern Department Stores Ltd.	The same chairman	Same as above	13,630,966	214,006	0.96	214,006	Note 5
	Oriental Union Chemical Corp.	The same chairman	Same as above	10,506,792	271,075	1.19	271,075	
	CHC Resources Corporation	The Corporation is its director	Same as above	4,812,514	241,107	1.94	241,107	
	Picvue Electronics Co., Ltd.	-	Same as above	161,700	-	0.06	-	
	DDH	Same chairman with the major stockholder	Same as above	213,428	-	0.21	-	
	Far Eastern International Leasing Corporation	The Corporation is its director	Same as above	45,258,938	602,813	10.14	602,813	
NHC	Common stocks							
	Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through profit or loss - current	50,000	3,820	-	3,820	
YTRMC	Common stocks							
	Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through other comprehensive income - current	230,000	17,572	0.01	17,572	
FMT	Common stocks							
	Everest Textile Co., Ltd.	The chairman of the Corporation is its chairman	Financial assets at fair value through other comprehensive income - current	13,018,843	151,019	2.60	151,019	
	Oriental Union Chemical Corp.	The chairman of the Corporation is its director	Financial assets at fair value through other comprehensive income - noncurrent	2,256,782	58,225	0.25	58,225	
	Far Eastern Department Store Ltd.	Same chairman with the major stockholder	Same as above	1,185,713	18,616	0.08	18,616	
	Yi Tong Fiber Co., Ltd.	-	Same as above	5,256,454	41,691	5.94	41,691	
FDT	Common stocks							
	Far Eastern International Bank	The chairman of the Corporation is its vice-chairman by the ultimate parent company	Financial assets at fair value through other comprehensive income - current	288,376	2,884	0.01	2,884	
	Far Eastern Department Store Ltd.	The chairman of the Corporation is its vice-chairman	Financial assets at fair value through other comprehensive income - noncurrent	935,029	14,680	0.07	14,680	
	Oriental Union Chemical Corp.	Same chairman with the ultimate parent company	Same as above	3,254,125	83,956	0.37	83,956	
	Ding & Ding Management Consultants Co., Ltd.	-	Same as above	685,704	8,376	16.00	8,376	
AEE	Common stocks							
	Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through other comprehensive income - current	120,000	9,168	-	9,168	
	Ding & Ding Management Consultants Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	216,000	900	5.04	900	
YLPPC	Common stocks							
	Far EasTone	The director of the Corporation is its chairman	Financial assets at fair value through other comprehensive income - current	105,000	8,022	-	8,022	
	Yamay International Development Corp.	-	Financial assets at fair value through other comprehensive income - noncurrent	15	-	-	-	
AIC	Beneficiary certificates							
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Financial assets at fair value through profit or loss - current	4,016	153,597	-	153,597	
	Opas Fund Segregated Portfolio Tranche D	Related party in substance	Same as above	58,000	1,777,978	-	1,777,978	
	Opas Fund Segregated Portfolio Tranche E	Related party in substance	Same as above	3,973	147,992	-	147,992	
	ChinaAMC CSI 300 Index ETF	-	Same as above	1,000,000	137,158	0.37	137,158	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2018				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Common stocks							
	Hsing Ta Cement Co., Ltd	-	Financial assets at fair value through profit or loss - current	16,515,650	$ 227,916	4.83	$ 227,916	
	First Financial Holding Co., Ltd.	-	Same as above	3,869,310	77,386	0.03	77,386	
	Foxconn Technology Co., Ltd	-	Same as above	2,043,000	123,602	0.14	123,602	
	Taiwan Cement Co., Ltd.	-	Same as above	364,000	12,958	0.01	12,958	
	Quanta Computer Inc.	-	Same as above	1,805,000	95,124	0.05	95,124	
	Pegatron Corporation	-	Same as above	825,000	42,405	0.03	42,405	
	Taiwan Semiconductor Manufacturing Co., Ltd	-	Same as above	400,000	90,200	-	90,200	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,720,000	121,776	0.01	121,776	
	Mega Financial Holding Co., Ltd.	-	Same as above	7,926,000	205,680	0.06	205,680	
	China Construction Bank Corporation, A share	-	Same as above	2,500,000	71,154	-	71,154	
	China Life Insurance Company Limited, H share	-	Same as above	1,350,000	87,407	-	87,407	
	China Mobile Communications Corporation	-	Same as above	448,000	131,348	-	131,348	
	Far EasTone	Same chairman with the major stockholder	Same as above	1,426,303	108,970	0.04	108,970	
	Casetek Holdings Limited	-	Same as above	1,000,000	39,350	0.24	39,350	
	Nan Ya Plastics Corporation	-	Same as above	2,541,000	191,845	0.03	191,845	
	Inventec Corporation	-	Same as above	2,882,000	63,548	0.08	63,548	
	China Life Insurance Company Limited, A share	-	Same as above	540,000	49,196	-	49,196	
	China Life Insurance Company Limited, H share	-	Same as above	986,000	63,840	-	63,840	
	Far Eastern International Bank	The chairman of the Corporation's major stockholder is its vice-chairman	Financial assets at fair value through other comprehensive income - noncurrent	131,660,130	1,316,601	4.03	1,316,601	
	Oriental Union Chemical Corp.	Same chairman with the major stockholder	Same as above	1,552,156	40,047	0.18	40,047	
	Far Eastern Department Store Ltd.	Same chairman with the major stockholder	Same as above	4,473,972	70,241	0.32	70,241	Note 6
	Ding Shen Investment Co., Ltd.	The Corporation is its director	Same as above	39,600,000	310,068	18.00	310,068	
Asia Cement Pioneer Investment Ltd.	Common stocks							
	Cementon Micronesia L.L.C.	-	Financial assets at fair value through other comprehensive income - noncurrent	(Note 1)	121,914	10.00	121,914	
FSMS	Common stocks							
	Stone Industry Resource System Corp	-	Financial assets at fair value through other comprehensive income - noncurrent	10,000	70	0.15	70	
YLT	Beneficiary certificates							
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	350,000	26,425	-	26,425	
	Common stocks							
	Far Eastern International Bank	The chairman of the Corporation's major stockholder is its vice-chairman	Financial assets at fair value through other comprehensive income - noncurrent	2,942,886	29,429	0.09	29,429	
	Far EasTone	Same chairman with the major stockholder	Same as above	71,099	5,432	-	5,432	
YLSS	Common stocks							
	Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through other comprehensive income - current	130,000	9,932	-	9,932	
KCC	Beneficiary certificates							
	iShare FTSF A50 China Index ETF	-	Financial assets at fair value through profit or loss - current	1,123,600	HK$ 12,809 thousand	-	HK$ 12,809 thousand	
	CSOP FTSE China A50 ETF	-	Same as above	300,000	HK$ 3,438 thousand	-	HK$ 3,438 thousand	
KCCL	Beneficiary certificates							
	Allianz US High Yield Fund	-	Financial assets at fair value through profit or loss - current	97,741	HK$ 5,231 thousand	-	HK$ 5,231 thousand	
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Same as above	1,606	HK$ 16,931 thousand	-	HK$ 16,931 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2018				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
ACSPL	Beneficiary certificates							
	United Emerging Markets Bond Funds	-	Financial assets at fair value through profit or loss - current	3,232,758	SGD 3,889 thousand	-	SGD 3,889 thousand	
	United Growth Fund	-	Same as above	745,068	SGD 2,454 thousand	-	SGD 2,454 thousand	
	Opas Fund Segregated Portfolio Tranche D	Related party in substance	Same as above	19,000	SGD 25,913 thousand	-	SGD 25,913 thousand	
	Common stocks							
	DBS Group	-	Financial assets at fair value through profit or loss - current	33,436	SGD 792 thousand	-	SGD 792 thousand	
	Guocoland Ltd.	-	Same as above	26,666	SGD 48 thousand	-	SGD 48 thousand	
	Hong Leong Asia	-	Same as above	20,000	SGD 10 thousand	-	SGD 10 thousand	
	INTRACO	-	Same as above	46,875	SGD 12 thousand	-	SGD 12 thousand	
	Engro Corp Ltd.	-	Same as above	2,000	SGD 2 thousand	-	SGD 2 thousand	
	Holcim Singapore Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,000	SGD 5 thousand	-	SGD 5 thousand	
OCPL	Common stocks							
	Hiap Hoe Ltd.	-	Financial assets at fair value through profit or loss - current	44,260	SGD 39 thousand	-	SGD 39 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 IFRS 9 “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: 14,500 thousand shares ($1,107,800 thousand) of the securities are pledged as collaterals for bank loans of the Corporation.

Note 5: 5,000 thousand shares ($78,500 thousand) of the securities are pledged as collaterals for bank loans of DCI.

Note 6: 3,500 thousand shares ($54,950 thousand) of the securities are pledged as collaterals for bank loans of AIC.

(Concluded)

ASIA CEMENT CORPORATION AND INVESTEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount
ACSPL	Beneficiary certificates Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	-	-	-	$ -	19,000	SGD 25,785 thousand	-	$ -	$ -	$ -	19,000	SGD 25,913 thousand
DCI	Beneficiary certificates Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	-	-	-	-	56,000	1,713,600	-	-	-	-	56,000	1,716,669
AIC	Beneficiary certificates Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	-	-	-	-	58,000	1,774,800	-	-	-	-	58,000	1,777,978

Note 1: Marketable securities in this table are stocks, bonds, beneficiary certificates and securities derived from these items.

Note 2: Marketable securities accounted for using equity method should fill these two columns.

Note 3: Marketable securities acquired or disposed of should be calculated separately based on market price to determine whether they are of at least NT$300 million or 20% of the paid-in capital.

Note 4: Paid-in capital is the parent company's paid-in capital. In the case of shares issued with no par value or a par value other than NT$10 per share, the 20% paid-in capital ruling refers to 10% of equity attributable to owners of the parent company as stated in the balance sheet.

ASIA CEMENT CORPORATION AND INVESTEES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(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	$ (1,769,285)	(20)	Purchase 45 days after monthly closing	$ -	-	$ 370,183	34	
	ACSPL	A subsidiary of the Corporation	Sales	(596,047)	(7)	Average 30 days	-	-	90,525	8	
	YSRMC	A subsidiary of the Corporation	Sales	(154,194)	(2)	Purchase 45 days after monthly closing	-	-	32,382	3	
	YDC	Related party in substance	Sales	(197,307)	(2)		-	-	11,771	1	
	U-Ming	An investee accounted for by equity method	Sales freight expense	543,364	6	Average 60 days	-	-	(76,223)	(5)	
	U-Ming Singapore	A subsidiary of an investee accounted for by equity method	Sales freight expense	262,477	3	Average 10 days	-	-	-	-	
	YLT	A subsidiary of the Corporation	Sales freight expense	157,617	2	Average 30 days	-	-	(41,808)	(3)	
	JYDC	A subsidiary of the Corporation	Purchase	246,326	3	Within 7 days	-	-	-	-	
	NHC	A subsidiary of the Corporation	Purchase	149,387	2	Purchase 45 days after monthly closing	-	-	(15,847)	(1)	
ACSPL	Alliance Concrete Singapore Pte. Ltd.	An investee accounted for by equity method	Sales	SGD (21,804) thousand	(63)	Average 60 days	-	-	SGD 7,024 thousand	64	
	The Corporation	Parent company	Purchase	SGD 26,666 thousand	80	Average 30 days	-	-	SGD (4,043) thousand	(100)	
YTRMC	Far Eastern General Construction Inc.	Related party in substance	Sales	(439,894)	(5)	Average 90 days	-	-	277,818	9	
	The Corporation	Parent company	Purchase	1,769,285	22	Purchase 45 days after monthly closing	-	-	(370,183)	(30)	
	CHC Resources Corporation	Related party in substance	Purchase	399,570	5	Purchase 45 days after monthly closing	-	-	(53,522)	(4)	
FMT	Air Liquide Far Eastern Co.	Related party in substance	Sales	(173,027)	(16)	Purchase 120 days after monthly closing	-	-	80,563	40	
	FENC	An investee accounted for by equity method	Sales	(205,148)	(19)	Purchase 60 days after monthly closing	-	-	23,472	12	
	OUCC	Related party in substance	Sales	(129,164)	(12)	Purchase 75 days after monthly closing	-	-	25,272	13	
FDT	FENC	An investee accounted for by equity method	Sales	(118,377)	(13)	Purchase 60 days after monthly closing	-	-	24,810	15	
	Oriental Petrochemical (Taiwan) Co., Ltd.	Related party in substance	Sales	(196,519)	(22)	110 days	-	-	62,014	38	
YSRMC	The Corporation	Parent company	Purchase	154,194	24	Purchase 45 days after monthly closing	-	-	(32,382)	(31)	
YLPPC	Far Eastern General Construction Inc.	Related party in substance	Sales	(155,661)	(55)	Average 30 days	-	-	28,646	28	
NHC	The Corporation	Parent company	Sales	(149,387)	(36)	Purchase 45 days after monthly closing	-	-	15,847	30	
YLT	The Corporation	Parent company	Sales	(157,617)	(96)	30 days	-	-	41,808	98	
YTV	Far Eastern Polytex Vietnam Ltd.	A subsidiary of an investee accounted for by equity method	Sales	VND (91,621,457) thousand	(75)	Within 45 days	-	-	VND 22,446,794 thousand	82	
JYDC	The Corporation	Parent company	Sales	RMB (54,200) thousand	(1)	Within 7 days	-	-	-	-	
	TZOCCL	The same ultimate parent company	Sales	RMB (171,146) thousand	(4)	Within 90 days	-	-	RMB 34,652 thousand	4	
	WYDC	The same ultimate parent company	Sales	RMB (265,028) thousand	(5)	Average 30 days	-	-	RMB 25,398 thousand	3	
	YYDCCL	The same ultimate parent company	Sales	RMB (523,623) thousand	(11)	Within 90 days	-	-	RMB 35,116 thousand	4	
	NYDC	A subsidiary of the Corporation	Sales	RMB (86,312) thousand	(2)	Average 30 days	-	-	RMB 9,785 thousand	1	

(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	
	NYLC	The same ultimate parent company	Sales	RMB (37,478) thousand	(1)	Average 30 days	$ -	-	RMB 2,331 thousand	1	
	HYDCCL	The same ultimate parent company	Sales	RMB (42,629) thousand	1	Within 90 days	-	-	RMB 45,597 thousand	(5)	
	JYLTC	A subsidiary of the Corporation	Sales freight expense	RMB 44,496 thousand	2	Within 90 days	-	-	RMB (12,988) thousand	(8)	
	WAMTC	An investee accounted for by equity method	Sales freight expense	RMB 68,375 thousand	2	Within 90 days	-	-	RMB (12,127) thousand	(7)	
	NYDC	A subsidiary of the Corporation	Purchase	RMB 280,286 thousand	10	Average 30 days	-	-	RMB (41,298) thousand	(24)	
	NYLC	A subsidiary of the Corporation	Purchase	RMB 26,610 thousand	1	Average 30 days	-	-	RMB (2,336) thousand	(1)	
	HGYDC	The same ultimate parent company	Purchase	RMB 45,360 thousand	2	Average 30 days	-	-	RMB (11,784) thousand	(7)	
NYDC	JYDC	Parent company	Sales	RMB (280,286) thousand	(100)	Average 30 days	-	-	RMB 41,298 thousand	100	
	JYDC	Parent company	Purchase	RMB 86,312 thousand	36	Average 30 days	-	-	RMB (9,785) thousand	(64)	
NYLC	JYDC	Parent company	Sales	RMB (26,610) thousand	(14)	Average 30 days	-	-	RMB 2,336 thousand	2	
	JYDC	Parent company	Purchase	RMB 37,478 thousand	24	Average 30 days	-	-	RMB (2,331) thousand	(11)	
TZOCCL	JYDC	The same ultimate parent company	Purchase	RMB 171,146 thousand	99	Within 90 days	-	-	RMB (34,652) thousand	(95)	
WYDC	JYDC	The same ultimate parent company	Purchase	RMB 265,028 thousand	51	Average 30 days	-	-	RMB (25,398) thousand	(47)	
	HYDCCL	The same ultimate parent company	Purchase	RMB 125,198 thousand	24	Within 90 days	-	-	RMB (33) thousand	-	
YYDCCL	JYDC	The same ultimate parent company	Purchase	RMB 523,623 thousand	71	Within 90 days	-	-	RMB (35,116) thousand	(78)	
HYDCCL	JYDC	The same ultimate parent company	Purchase	RMB 42,629 thousand	4	Within 90 days	-	-	RMB (45,597) thousand	(33)	
	WYDC	The same ultimate parent company	Sales	RMB (125,198) thousand	(8)	Within 90 days	-	-	RMB 33 thousand	-	
	WYCPCL	The same ultimate parent company	Sales	RMB (48,031) thousand	(3)	Within 90 days	-	-	RMB 18,228 thousand	3	
	WAMTC	An investee accounted for by equity method	Sales freight expense	RMB 38,464 thousand	4	Within 90 days	-	-	RMB (9,064) thousand	(7)	
	HGYDC	The same ultimate parent company	Purchase	RMB 88,932 thousand	9	Within 90 days	-	-	RMB (19,799) thousand	(15)	
WYCPCL	HYDCCL	The same ultimate parent company	Purchase	RMB 48,031 thousand	31	Within 90 days	-	-	RMB (18,228) thousand	(47)	
SIYDCCL	SLCL	The same ultimate parent company	Sales	RMB (81,162) thousand	(4)	Within 90 days	-	-	RMB 6,010 thousand	1	
	SYTCL	The same ultimate parent company	Sales freight expense	RMB 24,948 thousand	2	Within 90 days	-	-	RMB (4,761) thousand	(11)	

(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	
HGYDC	HYDCCL	The same ultimate parent company	Sales	RMB (88,932) thousand	(11)	Within 90 days	$ -	-	RMB 19,799 thousand	38	
	JYDC	The same ultimate parent company	Sales	RMB (45,360) thousand	(6)	Average 30 days	-	-	RMB 11,784 thousand	23	
SLCL	SYTCL	The same ultimate parent company	Sales freight expense	RMB 46,223 thousand	6	Within 90 days	-	-	RMB (5,093) thousand	(8)	
	SIYDCCL	The same ultimate parent company	Purchase	RMB 81,162 thousand	10	Within 90 days	-	-	RMB (6,010) thousand	(9)	
JYLTC	JYDC	Parent company	Sales	RMB (44,496) thousand	(64)	Within 90 days	-	-	RMB 12,988 thousand	80	
SYTCL	SLCL	The same ultimate parent company	Sales	RMB (46,223) thousand	(55)	Within 90 days	-	-	RMB 5,093 thousand	16	
	SIYDCCL	The same ultimate parent company	Sales	RMB (24,948) thousand	(30)	Within 90 days	-	-	RMB 4,761 thousand	50	

(Concluded)

ASIA CEMENT CORPORATION AND INVESTEES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(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	$ 370,183	5.3 times	$ -	-	$ 370,003	$ -
ACSPL	Alliance Concrete Singapore Pte. Ltd.	An investee accounted for by equity method	SGD 7,024 thousand	5.59 times	-	-	SGD 5,843 thousand	-
YTRMC	Far Eastern General Construction Inc.	Related party in substance	277,818	2.17 times	-	-	155,071	-
JYDC	YYDCCL	The same ultimate parent company	RMB 35,116 thousand	10.23 times	-	-	RMB 35,116 thousand	-
	WYDC	The same ultimate parent company	RMB 25,398 thousand	7.37 times	-	-	RMB 25,398 thousand	-
	TZOCCL	The same ultimate parent company	RMB 34,652 thousand	7.20 times	-	-	RMB 34,652 thousand	-
	HYDCCL	The same ultimate parent company	RMB 45,597 thousand	1.53 times	-	-	RMB 45,597 thousand	-
NYDC	JYDC	Parent company	RMB 41,298 thousand	5.82 times	-	-	RMB 41,298 thousand	-
ACCHC	FENC (China)	Related party in substance	RMB 431,900 thousand	Note 1	-	-	-	-
	Yuan Ding (Shanghai)	Related party in substance	RMB 114,699 thousand	Note 1	-	-	-	-
OHC	SIYDCCL	The same ultimate parent company	RMB 140,000 thousand	Note 1	-	-	RMB 20,000 thousand	-
	SLCL	The same ultimate parent company	RMB 193,000 thousand	Note 1	-	-	-	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
JYDC	YYDCCL	The same ultimate parent company	RMB 115,000 thousand	Note 1	$ -	-	RMB 35,000 thousand	$ -
	TZOCCL	The same ultimate parent company	RMB 95,000 thousand	Note 1	-	-	-	-
	SLCL	The same ultimate parent company	RMB 132,000 thousand	Note 1	-	-	RMB 20,000 thousand	-
	SLCCL	The same ultimate parent company	RMB 34,000 thousand	Note 1	-	-	RMB 1,000 thousand	-
	SHYLCP	The same ultimate parent company	RMB 60,000 thousand	Note 1	-	-	-	-
HYDCCL	SLCL	The same ultimate parent company	RMB 105,000 thousand	Note 1	-	-	RMB 20,000 thousand	-
	HXMC	An investee accounted for by equity method	RMB 24,500 thousand	Note 1	-	-	-	-
HGYDC	SLCL	The same ultimate parent company	RMB 50,000 thousand	Note 1	-	-	-	-
WYDC	SYCPCL	The same ultimate parent company	RMB 30,000 thousand	Note 1	-	-	-	-
	SLCL	The same ultimate parent company	RMB 90,000 thousand	Note 1	-	-	-	-
	WYCPCL	A subsidiary of the Corporation	RMB 25,000 thousand	Note 1	-	-	RMB 10,000 thousand	-
	WYXC	The same ultimate parent company	RMB 60,000 thousand	Note 1	-	-	-	-

Note 1: The accounts receivable from financing.

(Concluded)

ASIA CEMENT CORPORATION AND INVESTEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2018
(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, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2018	December 31, 2017	Shares	Percentage of Ownership	Carrying Value			
The Corporation	ACCHC	Cayman	Investment	$ 13,660,636	$ 13,660,636	1,061,209,202	67.73	$ 36,545,690	$ 11,000,630	$ 7,452,890	A subsidiary of the Corporation
	FENC	Taipei, Taiwan	Textile	3,459,787	3,459,787	1,272,277,085	23.77	39,803,907	12,028,294	2,342,563	
	U-Ming	Taipei, Taiwan	Marine transportation	510,236	510,236	331,701,152	39.25	9,983,803	1,668,840	655,035	
	DCI	Taipei, Taiwan	Investment	2,555,255	2,555,255	595,576,603	99.99	12,471,554	452,716	452,684	A subsidiary of the Corporation
	CHP	Chiayi, Taiwan	Power plant	3,119,492	3,119,492	280,093,521	59.59	5,845,842	871,315	519,247	A subsidiary of the Corporation
	YDC	Taipei, Taiwan	Investment	2,232,220	2,232,220	178,707,648	35.50	3,263,209	148,412	42,315	
	YYI	Taipei, Taiwan	Investment	911,058	911,058	155,000,803	29.92	1,939,588	435,943	130,433	
	ACSPL	Singapore	Cement	186,958	186,958	10,495,495	99.96	3,570,587	420,624	421,166	A subsidiary of the Corporation
	OSC	Taipei, Taiwan	Broker	154,207	154,207	135,092,154	18.93	1,877,359	46,790	8,995	
	AIC	Taipei, Taiwan	Investment	1,212,679	1,212,679	222,039,596	100.00	1,946,618	81,038	81,038	A subsidiary of the Corporation
	YTRMC	Taipei, Taiwan	Ready-mixed concrete, cement - related products	1,042,252	1,042,252	159,067,779	99.99	1,557,263	(43,827)	(43,827)	A subsidiary of the Corporation
	YLSS	Kaohsiung, Taiwan	Stainless steel	2,661,240	2,661,240	200,000,000	100.00	1,977,315	124,872	116,586	A subsidiary of the Corporation
	FMT	Taipei, Taiwan	Transportation	68,416	68,416	29,517,188	99.82	1,418,575	197,110	208,364	A subsidiary of the Corporation
	FEDSDL	Taipei, Taiwan	Retails	500,000	500,000	53,250,000	25.00	617,872	71,477	17,869	
	NHC	Taichung, Taiwan	Cement, granulated blast-furnace slag	410,994	410,994	26,128,171	99.94	214,201	(109,869)	(109,804)	A subsidiary of the Corporation
	YDLC	Taipei, Taiwan	Leasing	309,049	309,049	34,640,189	43.60	368,032	8,181	3,567	
	YLT	Hwalien, Taiwan	Transportation	22,110	22,110	5,100,000	51.00	251,861	13,760	7,018	A subsidiary of the Corporation
	AEE	Hwalien, Taiwan	Engineering	5,136	5,136	7,970,703	98.23	128,288	41,576	40,840	A subsidiary of the Corporation
	EISF	Kaohsiung, Taiwan	Iron and steel	31,463	31,463	3,199,823	40.40	82,281	21,265	8,591	
	YLPPC	Taipei, Taiwan	Cement - related products	144,961	144,961	16,241,083	83.81	76,492	37,302	31,262	A subsidiary of the Corporation
	SIHL	B.V.I.	Investment	2,898	2,898	90,000	100.00	51,884	3,442	3,442	A subsidiary of the Corporation
	CSCGL	Cayman	Investment	4,821,008	-	331,878,315	7.62	4,460,107	2,156,683	164,339	
DCI	YDC	Taipei, Taiwan	Investment	289,982	289,982	72,989,090	14.50	1,338,858	148,412	Not applicable	
	FEC	Taipei, Taiwan	Construction	140,138	140,138	103,080,349	33.76	4,204,157	833,615	Not applicable	
	FENC	Taipei, Taiwan	Textile	1,263,385	1,263,385	82,812,887	1.55	2,557,351	12,028,294	Not applicable	
	KCC	Hong Kong	Cement	36,024	36,024	1,127,000	49.00	434,807	HK$ (10,465) thousand	Not applicable	A subsidiary of the Corporation
	SHSTC	Kaohsiung, Taiwan	Storage and transportation	143,516	231,322	13,345,949	14.30	35,088	(88,106)	Not applicable	
	FSMS	Hwalien, Taiwan	Mining excavation, mineral processing and sales	112,096	112,096	1,294,270	99.56	140,641	442	Not applicable	A subsidiary of the Corporation
	U-Ming	Taipei, Taiwan	Marine transportation	27,619	27,619	468,486	0.06	30,236	1,668,840	Not applicable	
	AC Mega Investment Ltd.	B.V.I.	Investment	579,926	579,926	19,600,000	100.00	455,842	15,498	Not applicable	A subsidiary of the Corporation
	AC Leap Investment Ltd.	B.V.I.	Investment	579,439	579,439	19,600,000	100.00	507,038	19,267	Not applicable	A subsidiary of the Corporation
	AC Mega II Investment Ltd.	B.V.I.	Investment	289,050	289,050	10,000,000	100.00	243,207	9,642	Not applicable	A subsidiary of the Corporation

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2018	December 31, 2017	Shares	Percentage of Ownership	Carrying Value			
DCI	AC Mega III Investment Ltd.	B.V.I.	Investment	$ 289,050	$ 289,050	10,000,000	100.00	$ 276,156	$ 8,336	Not applicable	A subsidiary of the Corporation
	AC Mega IV Investment Ltd.	B.V.I.	Investment	575,055	575,055	19,400,000	100.00	596,541	13,399	Not applicable	A subsidiary of the Corporation
	Catalyst Tranche One	B.V.I.	Investment	123,120	-	4,000	25.00	122,662	8	Not applicable	
	CSCGL	Cayman	Investment	872,619	-	56,297,000	1.29	756,511	2,156,683	Not applicable	
NHC	SHSTC	Kaohsiung, Taiwan	Storage and transportation	333,309	333,309	13,634,527	14.61	35,849	(88,106)	Not applicable	
	PGIC	Kaohsiung, Taiwan	Granulated blast-furnace slag	36,771	36,771	3,287,550	31.00	60,232	22,435	Not applicable	
	FENC	Taipei, Taiwan	Textile	15,240	15,240	1,739,978	0.03	41,281	12,028,294	Not applicable	
	U-Ming	Taipei, Taiwan	Marine transportation	1,027	1,027	64,143	0.01	819	1,668,840	Not applicable	
	CSCGL	Cayman	Investment	282,957	-	9,250,000	0.21	124,253	2,156,683	Not applicable	
YTRMC	YSRMC	Hsinchu, Taiwan	Ready-mixed concrete	69,930	69,930	6,993,000	69.93	68,254	9,460	Not applicable	A subsidiary of the Corporation
	YTV	Hà Tĩnh, Vietnam	Ready-mixed concrete	201,823	201,823	(Note 1)	100.00	208,429	VND 14,660,774 thousand	Not applicable	A subsidiary of the Corporation
	PYCI	Indonesia	Ready-mixed concrete	61,439	-	(Note 1)	99.00	48,464	IDR (2,530,312) thousand	Not applicable	A subsidiary of the Corporation
	AOG	Guam	Investment	175,230	175,230	(Note 1)	77.69	40,530	US$ (1,200) thousand	Not applicable	A subsidiary of the Corporation
FMT	FDT	Taipei, Taiwan	Transportation	30,373	30,373	27,892,834	99.87	740,087	104,118	Not applicable	A subsidiary of the Corporation
	FENC	Taipei, Taiwan	Textile	40,263	33,759	4,415,299	0.08	112,003	12,028,294	Not applicable	
FDT	YDEC	Taipei, Taiwan	Retail	160,424	160,424	28,914,405	26.95	566,922	69,107	Not applicable	
	U-Ming	Taipei, Taiwan	Marine transportation	1,891	1,891	50,000	0.01	1,683	1,668,840	Not applicable	
	FENC	Taipei, Taiwan	Textile	31,322	31,322	1,020,000	0.02	31,705	12,028,294	Not applicable	
AEE	ACCHC	Cayman	Investment	50,541	50,541	3,161,500	0.20	69,877	11,000,630	Not applicable	A subsidiary of the Corporation
	U-Ming	Taipei, Taiwan	Marine transportation	38,931	38,931	3,485,997	0.41	30,457	1,668,840	Not applicable	
	CSCGL	Cayman	Investment	266,942	-	8,368,000	0.19	112,405	2,156,683	Not applicable	
YLPPC	YDEC	Taipei, Taiwan	Retail	20,776	20,776	4,174,292	3.89	81,752	69,107	Not applicable	
	YLPCIP	India	Tunnel lining segments	8,338	8,338	(Note 1)	99.99	2,226	US$ (1,901) thousand	Not applicable	A subsidiary of the Corporation
	AOG	Guam	Investment	66,816	66,816	(Note 1)	22.31	11,639	US$ (1,892) thousand	Not applicable	A subsidiary of the Corporation
	PYCI	Indonesia	Ready-mixed concrete	621	-	(Note 1)	1.00	490	IDR (2,530,312) thousand	Not applicable	A subsidiary of the Corporation
AIC	FENC	Taipei, Taiwan	Textile	405,473	405,473	15,430,293	0.29	658,429	12,028,294	Not applicable	
	U-Ming	Taipei, Taiwan	Marine transportation	77,446	77,446	7,796,914	0.92	61,241	1,668,840	Not applicable	
	CHP	Chiayi, Taiwan	Power plant	376	376	37,574	0.01	850	871,315	Not applicable	A subsidiary of the Corporation
	Asia Cement Pioneer Investment Ltd.	B.V.I.	Investment	2,039,879	2,039,879	66,550,000	100.00	1,758,890	61,107	Not applicable	A subsidiary of the Corporation
	Asia Cement Pioneer II Investment Ltd.	B.V.I.	Investment	544,135	544,135	18,500,000	100.00	521,076	19,715	Not applicable	A subsidiary of the Corporation
	Asia Cement Pioneer III Investment Ltd.	B.V.I.	Investment	289,050	289,050	10,000,000	100.00	224,136	8,708	Not applicable	A subsidiary of the Corporation
	Asia Cement Pioneer IV Investment Ltd.	B.V.I.	Investment	286,263	286,263	9,510,000	100.00	261,126	9,877	Not applicable	A subsidiary of the Corporation
	Asia Cement Explorer Investment Ltd.	B.V.I.	Investment	334,065	334,065	11,415,000	100.00	142,357	3,350	Not applicable	A subsidiary of the Corporation
	DCI	Taipei, Taiwan	Investment	76	76	5,401	-	76	452,716	Not applicable	A subsidiary of the Corporation

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2018	December 31, 2017	Shares	Percentage of Ownership	Carrying Value			
	FMT	Taipei, Taiwan	Transportation	$ 176	$ 176	5,000	0.02	$ 272	$ 197,110	Not applicable	A subsidiary of the Corporation
	NHC	Taichung, Taiwan	Cement, granulated blast-furnace slag	78	78	5,000	0.02	80	(109,869)	Not applicable	A subsidiary of the Corporation
AIC	AEE	Hwalien, Taiwan	Engineering	116	116	6,000	0.07	120	41,576	Not applicable	A subsidiary of the Corporation
	FSMS	Hwalien, Taiwan	Mining excavation, mineral processing and sales	119	119	5,000	0.38	125	442	Not applicable	A subsidiary of the Corporation
	FDT	Taipei, Taiwan	Transportation	110	110	7,145	0.03	199	104,118	Not applicable	A subsidiary of the Corporation
	YSRMC	Hsinchu, Taiwan	Ready-mixed concrete	37	37	5,000	0.05	44	9,460	Not applicable	A subsidiary of the Corporation
	EISF	Kaohsiung, Taiwan	Iron and steel	15,649	15,649	660,000	8.33	17,191	21,265	Not applicable	
	YTRMC	Taipei, Taiwan	Ready-mixed concrete, cement - related products	53	53	5,782	-	53	(43,827)	Not applicable	A subsidiary of the Corporation
	CSCGL	Cayman	Investment	556,895	-	31,528,000	0.72	423,610	2,156,683	Not applicable	
YLT	U-Ming	Taipei, Taiwan	Marine transportation	58,840	58,840	6,348,103	0.75	299,617	1,668,840	Not applicable	
ACE	Opas Fund Segregated Portfolio Company	Cayman	Investment	1,531	1,610	33	33.00	1,610	76	Not applicable	
	Catalyst_207 SPC	Cayman	Investment	494	494	33	33.00	493	11	Not applicable	
	CSCGL	Cayman	Investment	266,882	-	7,480,000	0.17	100,481	2,156,683	Not applicable	
ACP	CSCGL	Cayman	Investment	1,959,250	-	107,536,000	2.47	1,445,197	2,156,683	Not applicable	
ACP II	CSCGL	Cayman	Investment	544,689	-	36,865,000	0.85	495,515	2,156,683	Not applicable	
ACP III	CSCGL	Cayman	Investment	290,967	-	14,790,000	0.34	198,773	2,156,683	Not applicable	
ACP IV	CSCGL	Cayman	Investment	292,032	-	18,514,000	0.43	248,929	2,156,683	Not applicable	
Leap	CSCGL	Cayman	Investment	567,556	-	35,569,000	0.82	478,092	2,156,683	Not applicable	
Mega	CSCGL	Cayman	Investment	554,533	-	30,251,000	0.70	406,675	2,156,683	Not applicable	
Mega II	CSCGL	Cayman	Investment	293,393	-	16,058,000	0.37	215,835	2,156,683	Not applicable	
Mega III	CSCGL	Cayman	Investment	292,743	-	18,477,000	0.42	248,209	2,156,683	Not applicable	
Mega IV	CSCGL	Cayman	Investment	504,078	-	37,410,000	0.86	502,778	2,156,683	Not applicable	
KCC	KCCL	Hong Kong	Ready-mixed concrete	HK$ 10 thousand	HK$ 10 thousand	10,000	100.00	HK$ 32,944 thousand	HK$ (769) thousand	Not applicable	A subsidiary of the Corporation
	Join Fortune Trading Ltd.	B.V.I.	Investment	HK$ 23,140 thousand	HK$ 23,140 thousand	2,979,721	100.00	HK$ 4,816 thousand	HK$ (3,096) thousand	Not applicable	A subsidiary of the Corporation
JFTL	Empire Success Corp Ltd.	Hong Kong	Storage and transportation	HK$ 17,040 thousand	HK$ 17,040 thousand	17,040,000	50.00	HK$ 4,464 thousand	HK$ (2,293) 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$ 543 thousand	HK$ (778) thousand	Not applicable	
AOG	Perez-AOG, L.L.C.	Guam	Mining excavation and sales	US$ 5,950 thousand	US$ 5,950 thousand	(Note 1)	64.50	US$ 155 thousand	US$ (1,892) thousand	Not applicable	A subsidiary of the Corporation
	Perez-Mtec-ACC, L.L.C.	Guam	Ready-mixed concrete	US$ 300 thousand	US$ 300 thousand	(Note 1)	33.33	US$ 1 thousand	-	Not applicable	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2018	December 31, 2017	Shares	Percentage of Ownership	Carrying Value			
ACSPL	OCPL	Singapore	Ready-mixed concrete, leasing	SGD 17,000 thousand	SGD 17,000 thousand	17,000,000	100.00	SGD 11,578 thousand	SGD 203 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 98,077 thousand	11,000,630	Not applicable	A subsidiary of the Corporation
	Alliance Concrete Singapore Pte. Ltd.	Singapore	Ready-mixed concrete	SGD 7,000 thousand	SGD 7,000 thousand	6,000,000	50.00	SGD 4,817 thousand	SGD (1,386) thousand	Not applicable	
ACCHC	PIHPL	B.V.I.	Investment	US$ 880,613 thousand	US$ 880,613 thousand	9,379,303	100.00	US$ 2,165,969 thousand	US$ 398,784 thousand	Not applicable	A subsidiary of the Corporation

Note 1: This is not a company limited by shares.

(Concluded)

ASIA CEMENT CORPORATION AND INVESTEES

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2018
(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, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018
					Outward	Inward						
SHYLCP	It manufactures and sells ready-mixed concrete and cement - related products	US$15,000 (equivalent to NT$459,975 thousand)	(2)	US$11,200 (equivalent to NT$343,448 thousand)	$ -	$ -	US$11,200 (equivalent to NT$343,448 thousand)	RMB(30,833) (equivalent to NT$(140,128) thousand)	72.00	RMB(22,199) (equivalent to NT$(100,892) thousand)	RMB130 (equivalent to NT$582 thousand)	US$800 (equivalent to NT$24,532 thousand)
JYDC	It manufactures and sells cement, clinker and ready-mixed concrete (including cement - related products).	US$356,104 (equivalent to NT$10,919,929 thousand)	(2)	US$93,035 (equivalent to NT$2,852,918 thousand) RMB(21,013) (equivalent to NT$(93,887) thousand)	-	RMB(105,745) (equivalent to NT$(472,473) thousand)	US$93,035 (equivalent to NT$2,852,918 thousand) RMB(126,758) (equivalent to NT$(566,360) thousand)	RMB1,370,378 (equivalent to NT$6,228,087 thousand)	68.40	RMB937,338 (equivalent to NT$4,260,012 thousand)	RMB3,819,336 (equivalent to NT$17,064,962 thousand)	US$50,781 (equivalent to NT$1,557,199 thousand) RMB126,758 (equivalent to NT$566,360 thousand)
WYDC	It manufactures and sells cement, slag powder and slag cement.	US$36,140 (equivalent to NT$1,108,233 thousand)	(2)	US$22,081 (equivalent to NT$677,114 thousand) RMB(1,378) (equivalent to NT$(6,157) thousand)	-	RMB(2,155) (equivalent to NT($9,629) thousand)	US$22,081 (equivalent to NT$677,114 thousand) RMB(3,533) (equivalent to NT$(15,786) thousand)	RMB24,907 (equivalent to NT$113,198 thousand)	72.00	RMB17,933 (equivalent to NT$81,503 thousand)	RMB417,645 (equivalent to NT$1,866,056 thousand)	US$4,469 (equivalent to NT$137,042 thousand) RMB3,533 (equivalent to NT$15,786 thousand)
SHYFCP	It manufactures and sells ready-mixed concrete and cement - related products	US$2,540 (equivalent to NT$77,889 thousand)	(2)	US$1,270 (equivalent to NT$38,945 thousand)	-	-	US$1,270 (equivalent to NT$38,945 thousand)	RMB170 (equivalent to NT$775 thousand)	0.00	RMB(14,544) (equivalent to NT$(66,098) thousand)	-	-
OHC	Investment	US$130,407 (equivalent to NT$3,998,931 thousand)	(2)	US$54,191 (equivalent to NT$1,661,767 thousand)	-	-	US$54,191 (equivalent to NT$1,661,767 thousand)	RMB295,191 (equivalent to NT$1,341,584 thousand)	72.00	RMB212,538 (equivalent to NT$965,940 thousand)	RMB1,439,903 (equivalent to NT$6,433,551 thousand)	US$809 (equivalent to NT$24,808 thousand)
NYLC	It manufactures and sells ready-mixed concrete and cement - related products	RMB60,000 (equivalent to NT$268,083 thousand)	(2)	-	-	-	-	RMB17,082 (equivalent to NT$77,635 thousand)	68.40	RMB11,684 (equivalent to NT$53,102 thousand)	RMB126,651 (equivalent to NT$565,883 thousand)	-
NYDC	It manufactures and sells cement, slag powder and slag cement.	RMB90,000 (equivalent to NT$402,124 thousand)	(2)	-	-	-	-	RMB25,320 (equivalent to NT$115,076 thousand)	52.20	RMB13,217 (equivalent to NT$60,070 thousand)	RMB90,779 (equivalent to NT$405,603 thousand)	-
SIYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US$368,340 (equivalent to NT$11,295,146 thousand)	(2)	US$67,585 (equivalent to NT$2,072,494 thousand)	-	RMB(4,091) (equivalent to NT$(18,279) thousand)	US$67,585 (equivalent to NT$2,072,494 thousand) RMB(4,091) (equivalent to NT$(18,279) thousand)	RMB780,904 (equivalent to NT$3,549,051 thousand)	72.00	RMB562,010 (equivalent to NT$2,554,221 thousand)	RMB3,121,272 (equivalent to NT$13,945,981 thousand)	US$27,009 (equivalent to NT$828,231 thousand) RMB4,091 (equivalent to NT$18,279 thousand)
CYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	US$4,100 (equivalent to NT$125,727 thousand)	(2)	US$2,023 (equivalent to NT$62,035 thousand)	-	-	US$2,023 (equivalent to NT$62,035 thousand)	RMB11,103 (equivalent to NT$50,460 thousand)	72.00	RMB7,994 (equivalent to NT$36,331 thousand)	RMB49,060 (equivalent to NT$219,203 thousand)	US$77 (equivalent to NT$2,361 thousand)
JYLTC	Transportation	RMB12,500 (equivalent to NT$55,851 thousand)	(2)	-	-	-	-	RMB5,167 (equivalent to NT$23,481 thousand)	70.12	RMB3,623 (equivalent to NT$16,465 thousand)	RMB24,154 (equivalent to NT$107,919 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, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018
					Outward	Inward						
HYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US$154,800 (equivalent to NT$4,746,942 thousand)	(2)	US$44,610 (equivalent to NT$1,367,966 thousand) RMB(5,356) (equivalent to NT$(23,931) thousand)	$ -	RMB(30,799) (equivalent to NT$(137,611) thousand)	US$44,610 (equivalent to NT$1,367,966 thousand) RMB(36,155) (equivalent to NT$(161,542) thousand)	RMB292,002 (equivalent to NT$1,327,089 thousand)	72.00	RMB210,241 (equivalent to NT$955,504 thousand)	RMB1,741,362 (equivalent to NT$7,780,483 thousand)	US$12,990 (equivalent to NT$398,338 thousand) RMB36,155 (equivalent to NT$161,542 thousand)
CYSPC	Slag powder	-	-	US$980 (equivalent to NT$30,052 thousand)	-	-	US$980 (equivalent to NT$30,052 thousand)	-	-	-	-	-
SYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	US$3,300 (equivalent to NT$101,195 thousand)	(2)	US$2,970 (equivalent to NT$91,075 thousand)	-	-	US$2,970 (equivalent to NT$91,075 thousand)	RMB15,096 (equivalent to NT$68,608 thousand)	72.00	RMB10,869 (equivalent to NT$49,398 thousand)	RMB25,863 (equivalent to NT$115,558 thousand)	-
SYTCL	Transportation	US$3,500 (equivalent to NT$107,328 thousand)	(2)	US$2,158 (equivalent to NT$66,175 thousand)	-	-	US$2,158 (equivalent to NT$66,175 thousand)	RMB1,606 (equivalent to NT$7,299 thousand)	72.00	RMB1,156 (equivalent to NT$5,255 thousand)	RMB28,313 (equivalent to NT$126,503 thousand)	US$992 (equivalent to NT$30,420 thousand)
YYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US$35,530 (equivalent to NT$1,089,527 thousand)	(2)	US$14,833 (equivalent to NT$454,854 thousand)	-	-	US$14,833 (equivalent to NT$454,854 thousand)	RMB32,957 (equivalent to NT$149,784 thousand)	72.00	RMB23,729 (equivalent to NT$107,844 thousand)	RMB264,000 (equivalent to NT$1,179,563 thousand)	US$1,016 (equivalent to NT$31,156 thousand)
HGYDC	Cement, slag powder and ready-mixed concrete (including cement - related products)	US$86,170 (equivalent to NT$2,642,403 thousand)	(2)	US$13,513 (equivalent to NT$414,376 thousand) RMB(4,090) (equivalent to NT$(18,274) thousand)	-	RMB(19,988) (equivalent to NT$(89,307) thousand)	US$13,513 (equivalent to NT$414,376 thousand) RMB(24,078) (equivalent to NT$(107,582) thousand)	RMB227,687 (equivalent to NT$1,034,790 thousand)	72.00	RMB163,935 (equivalent to NT$745,049 thousand)	RMB852,665 (equivalent to NT$3,809,744 thousand)	US$1,837 (equivalent to NT$56,332 thousand) RMB24,078 (equivalent to NT$107,582 thousand)
HYTCL	Transportation	RMB13,000 (equivalent to NT$58,085 thousand)	(2)	-	-	-	-	RMB(445) (equivalent to NT$(2,025) thousand)	72.00	RMB(321) (equivalent to NT$(1,458) thousand)	RMB13,236 (equivalent to NT$59,137 thousand)	-
WYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB60,000 (equivalent to NT$268,083 thousand)	(2)	-	-	-	-	RMB15,265 (equivalent to NT$69,378 thousand)	72.00	RMB10,991(equivalent to NT$49,952) thousand)	RMB48,386 (equivalent to NT$216,190 thousand)	-
WYXC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB90,000 (equivalent to NT$402,124 thousand)	(2)	-	-	-	-	RMB51,917 (equivalent to NT$235,950 thousand)	64.79	RMB(66,722) (equivalent to NT$(303,240) thousand)	RMB227,414 (equivalent to NT$1,016,094 thousand)	-
HZYCCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB30,000 (equivalent to NT$134,041 thousand)	(2)	-	-	-	-	RMB2,733 (equivalent to NT$12,421 thousand)	28.80	RMB787 (equivalent to NT$3,577 thousand)	RMB11,927 (equivalent to NT$53,289 thousand)	-
HXMC	Production and sales of limestone	RMB10,000 (equivalent to NT$44,680 thousand)	(2)	-	-	-	-	RMB4,562 (equivalent to NT$20,733 thousand)	28.80	RMB1,235 (equivalent to NT$5,614 thousand)	RMB3,871 (equivalent to NT$17,295 thousand)	-
WAMTC	Marine transportation	RMB35,500 (equivalent to NT$158,616 thousand)	(2)	-	-	-	-	RMB10,208 (equivalent to NT$46,392 thousand)	34.20	RMB3,475 (equivalent to NT$15,795 thousand)	RMB29,870 (equivalent to NT$133,459 thousand)	-
TZOCCL	Cement - related products	US$16,000 (equivalent to NT$490,640 thousand)	(2)	-	-	-	-	RMB(1,178) (equivalent to NT$(5,352) thousand)	72.00	RMB(806) (equivalent to NT$(3,661) thousand)	RMB51,968 (equivalent to NT$232,194 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, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018
					Outward	Inward						
SLCL	Cement, slag powder and ready-mixed concrete (including cement - related products)	RMB600,000 (equivalent to NT$2,680,826 thousand)	(2)	$ -	$ -	$ -	$ -	RMB323,124 (equivalent to NT$1,468,531 thousand)	72.00	RMB230,469 (equivalent to NT$1,047,433 thousand)	RMB1,105,426 (equivalent to NT$4,939,090 thousand)	$ -
SLCCL	Cement - related products	RMB20,000 (equivalent to NT$89,361 thousand)	(2)	-	-	-	-	RMB969 (equivalent to NT$4,403 thousand)	72.00	RMB698 (equivalent to NT$3,170 thousand)	RMB(14,652) (equivalent to NT$(65,465) thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
US$481,069 (Note 3) (equivalent to NT$14,751,981 thousand) RMB(194,615) (equivalent to NT$(869,548) thousand)	US$2,261,757 (equivalent to NT$69,356,778 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, 2018 accumulated investment in China Shanshui Cement Group Ltd which listed at HKEx for managing finance purpose was US$150,620 thousand included in Accumulated Outward Remittance for Investment in Mainland China.

Note 4: The Corporation obtained certificate No. 10620435220 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, 2018 the foreign currency amount of net income is expressed in New Taiwan dollars at average exchange rate for the year ended December 31, 2018

(Concluded)

ASIA CEMENT CORPORATION AND INVESTEES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2018
(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	PEREZ-AOG, L.L.C.	1	Sales	$ 19,327	Based on regular terms	-
		KCC	1	Sales	24,496	Based on regular terms	-
		YTRMC	1	Accounts receivable	370,183	Based on regular terms	-
			1	Sales	1,769,285	Based on regular terms	2
		ACSPL	1	Guarantee deposits	590,803	Based on regular terms	-
			1	Accounts receivable	90,525	Based on regular terms	-
			1	Sales	596,047	Based on regular terms	1
		AIC	1	Other revenue	29,507	Based on regular terms	-
		YSRMC	1	Accounts receivable	32,382	Based on regular terms	-
			1	Sales	154,194	Based on regular terms	-
		DCI	1	Other revenue	16,806	Based on regular terms	-
1	YTRMC	YTV	1	Other receivables	35,778	Based on regular terms	-
2	AEE	YLT	3	Sales	32,297	Based on regular terms	-
3	NHC	The Corporation	2	Accounts receivable	15,847	Based on regular terms	-
			2	Sales	149,387	Based on regular terms	-
4	YLT	The Corporation	2	Accounts receivable	41,808	Based on regular terms	-
			2	Sales	157,617	Based on regular terms	-
5	FSMS	The Corporation	2	Sales	30,985	Based on regular terms	-
6	FMT	The Corporation	2	Accounts receivable	18,306	Based on regular terms	-
			2	Sales	83,325	Based on regular terms	-
		YTRMC	3	Sales	41,518	Based on regular terms	-
		NHC	3	Sales	14,691	Based on regular terms	-
		FDT	1	Other revenue	22,081	Based on regular terms	-
			1	Sales	60,897	Based on regular terms	-
7	FDT	The Corporation	2	Sales	12,286	Based on regular terms	-
		FMT	2	Accounts receivable	22,804	Based on regular terms	-
			2	Sales	79,727	Based on regular terms	-
		YLSS	3	Sales	24,657	Based on regular terms	-
8	SHYLCP	JYDC	3	Sales	28,039	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
9	OHC	SIYDCCL	3	Interest revenue	$ 21,451	Based on regular terms	-
			3	Other receivables	626,399	Based on regular terms	-
		SLCL	3	Interest revenue	32,458	Based on regular terms	-
			3	Other receivables	863,535	Based on regular terms	-
10	SYTCL	SIYDCCL	3	Accounts receivable	21,271	Based on regular terms	-
			3	Sales	113,382	Based on regular terms	-
		SLCL	3	Accounts receivable	22,757	Based on regular terms	-
			3	Sales	210,076	Based on regular terms	-
11	SIYDCCL	SLCL	1	Accounts receivable	26,853	Based on regular terms	-
			1	Sales	368,864	Based on regular terms	-
		CYCPCL	3	Accounts receivable	18,884	Based on regular terms	-
			3	Sales	55,380	Based on regular terms	-
12	CYCPCL	SYCPCL	3	Accounts receivable	16,287	Based on regular terms	-
			3	Sales	16,084	Based on regular terms	-
		SIYDCCL	3	Other receivables	44,742	Based on regular terms	-
		SLCL	3	Other receivables	44,742	Based on regular terms	-
			3	Sales	11,048	Based on regular terms	-
13	JYLTC	JYDC	2	Accounts receivable	58,029	Based on regular terms	-
			2	Sales	202,225	Based on regular terms	-
		NYDC	3	Sales	59,006	Based on regular terms	-
		HGYDC	3	Sales	34,447	Based on regular terms	-
14	JYDC	The Corporation	2	Sales	246,326	Based on regular terms	-
		SHYLCP	3	Interest revenue	11,873	Based on regular terms	-
			3	Other receivables	268,687	Based on regular terms	-
		SIYDCCL	3	Other revenue	15,340	Based on regular terms	-
		SLCL	3	Interest revenue	53,833	Based on regular terms	-
			3	Other receivables	595,470	Based on regular terms	-
		SLCCL	3	Other receivables	152,125	Based on regular terms	-
		WYDC	3	Accounts receivable	113,480	Based on regular terms	-
			3	Sales	1,204,498	Based on regular terms	1
		NYLC	1	Accounts receivable	10,416	Based on regular terms	-
			1	Sales	170,332	Based on regular terms	-
		NYDC	1	Accounts receivable	43,719	Based on regular terms	-
			1	Sales	392,270	Based on regular terms	-
		TZOCCL	3	Interest revenue	19,267	Based on regular terms	-
			3	Other receivables	425,548	Based on regular terms	-
			3	Accounts receivable	154,826	Based on regular terms	-
			3	Sales	777,824	Based on regular terms	1
		YYDCCL	3	Interest revenue	26,624	Based on regular terms	-
			3	Other receivables	516,259	Based on regular terms	-
			3	Accounts receivable	156,900	Based on regular terms	-
			3	Sales	2,379,761	Based on regular terms	3
		HYDCCL	3	Accounts receivable	203,729	Based on regular terms	-
			3	Sales	193,738	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
15	WYDC	SYCPCL	3	Other receivables	$ 134,228	Based on regular terms	-
		SLCL	3	Interest revenue	18,972	Based on regular terms	-
			3	Other receivables	402,685	Based on regular terms	-
		JYDC	3	Other revenue	11,161	Based on regular terms	-
			3	Other receivables	11,686	Based on regular terms	-
		WYCPCL	1	Other receivables	111,857	Based on regular terms	-
			1	Sales	11,726	Based on regular terms	-
		WYXC	3	Interest revenue	12,648	Based on regular terms	-
			3	Other receivables	268,457	Based on regular terms	-
		HYDCCL	3	Prepayment for purchases	118,448	Based on regular terms	-
16	WYXC	WYDC	3	Sales	13,494	Based on regular terms	-
17	NYLC	JYDC	2	Accounts receivable	10,436	Based on regular terms	-
			2	Sales	120,938	Based on regular terms	-
18	NYDC	SIYDCCL	3	Other receivables	44,742	Based on regular terms	-
		SLCL	3	Other receivables	44,742	Based on regular terms	-
		JYDC	2	Accounts receivable	184,523	Based on regular terms	-
			2	Sales	1,273,843	Based on regular terms	2
19	HYTCL	WYDC	3	Sales	12,966	Based on regular terms	-
		HYDCCL	2	Sales	52,054	Based on regular terms	-
20	HYDCCL	SYCPCL	3	Other receivables	44,742	Based on regular terms	-
		SIYDCCL	3	Sales	28,334	Based on regular terms	-
		SLCL	3	Interest revenue	25,662	Based on regular terms	-
			3	Other receivables	469,800	Based on regular terms	-
		JYDC	3	Sales	92,146	Based on regular terms	-
		WYCPCL	3	Accounts receivable	81,445	Based on regular terms	-
			3	Sales	218,292	Based on regular terms	-
		WYDC	3	Other revenue	25,793	Based on regular terms	-
			3	Sales	569,001	Based on regular terms	1
		WYXC	1	Other receivables	45,130	Based on regular terms	-
			1	Sales	31,460	Based on regular terms	-
21	HGYDC	SIYDCCL	3	Other receivables	89,486	Based on regular terms	-
		SLCL	3	Other receivables	223,714	Based on regular terms	-
		JYDC	3	Accounts receivable	52,652	Based on regular terms	-
			3	Sales	206,153	Based on regular terms	-
		HYDCCL	3	Accounts receivable	88,464	Based on regular terms	-
			3	Sales	404,177	Based on regular terms	-
22	TZOCCL	JYDC	3	Sales	28,241	Based on regular terms	-
23	SLCL	SYCPCL	3	Accounts receivable	62,990	Based on regular terms	-
			3	Sales	80,710	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
24	SLCCL	SLCL	2	Other revenue	$ 13,865	Based on regular terms	-
25	AOG	PEREZ-AOG, L.L.C.	1	Long-term lease receivable	17,104	Based on regular terms	-
			1	Accounts receivable	13,232	Based on regular terms	-

Note: 1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.

(Concluded)

Asia Cement Corporation

Financial Statements for the
Years Ended December 31, 2018 and 2017 and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Cement Corporation

Opinion

We have audited the accompanying financial statements of Asia Cement Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2018 and 2017, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter section), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Corporation's financial statements for the year ended December 31, 2018 are stated as follows:

Estimated Impairment of Trade Receivables of Subsidiaries

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Corporation's subsidiaries use judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on their historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash flows are less than expected, a material impairment loss may arise. Because the key assumptions and inputs used for measuring expected credit losses on trade receivables represent an area of significant judgement and uncertainty, we considered the estimated impairment of trade receivables as one of the key audit matters.

The corresponding audit procedures for estimated impairment of trade receivables of subsidiaries are as follows:

1. We obtained an understanding and performed tests on the management's estimation of impairment of trade receivables and of the design and execution of relevant internal controls.

2. We evaluated the reasonableness of allowance for impairment loss by testing the aging of trade receivables and by quantifying the potential risk on overdue balances at the balance sheet date.

3. We tested the recoverability of receivables by vouching cash receipts after the balance sheet date.

4. For amounts that were past due and not yet recovered, we evaluated the adequacy of allowance for impairment loss by understanding the customers' historical payment performance, any collateral pledged, and other abilities to repay the bills.

Fair Value Measurement of Investment Properties

The Corporation's and its subsidiaries' investment properties are subsequently measured using the fair value model and valued by an independent qualified professional appraiser, a member of the ROC certified real estate appraisers. Refer to Notes 5 and 17. Because the valuation of investment properties represents an area of significant judgement and uncertainty, we considered the fair value measurement of investment properties as one of the key audit matters.

The corresponding audit procedures for fair value measurement of investment properties are as follows:

1. We assessed the competencies and independence of the appraiser engaged by management and obtained an understanding of the scope of the work and the process of engagement acceptance to evaluate the risk of impairment of the appraiser's independence and the limitation in the scope of the appraiser's work.

2. We obtained an understanding of and assessed the reasonableness of management's assumptions and methods used in valuation.

3. We tested samples of items from management's supporting documents, including the reasonableness of effective gross income, expenses, and ownerships of land and buildings used in the valuation process and reperformed the calculation of the fair value of investment properties.

Emphasis of Matter

The Corporation's and its subsidiaries' investments in China Shanshui Cement Group Limited (CSCGL), which was previously recognized as financial assets at fair value through other comprehensive income, became qualified for the equity method of accounting and were therefore reclassified as investments accounted for using equity method in 2018. The Corporation and its subsidiaries reported a provisional amount of NT$2,789,230 thousand for the goodwill arising from the above transition during the measurement period as the goodwill was included in the carrying amounts of the Corporation's and its subsidiaries' investment in CSCGL. The Corporation will engage outside specialists to provide assistance in measuring the identifiable net assets of CSCGL and the measurement will be completed within one year from the transition date. The provisional amounts will be adjusted retrospectively during the subsequent measurement period to reflect new information obtained from facts and circumstances that existed as of the transition date that, if known, would have affected the amounts recognized as of that date. Refer to Notes 8 and 15. Our opinion is not qualified in respect of this matter.

Other Matter

The financial statements of CSCGL, an associate accounted for using equity method, were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statements for CSCGL, is based solely on the reports of other auditors. As of December 31, 2018, the aggregate carrying value of the equity-method investments in CSCGL was NT$10,215,045 thousand, representing 5% of the total assets. For the year ended December 31, 2018, the share of profit or loss of CSCGL was NT$376,472 thousand, representing 2% of the income before income tax.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuo, Li Wen and Fan, Yu Wei.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2019

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, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

ASSETS	2018 Amount	2018 %	2017 Amount	2017 %
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 32)	$ 3,165,795	2	$ 815,926	1
Financial assets at fair value through profit or loss - current (Note 7)	1,172,826	1	171,500	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 34)	2,371,026	1	-	-
Available-for-sale financial assets - current (Notes 9 and 34)	-	-	3,063,312	2
Financial assets at amortized cost - current (Notes 6, 11 and 32)	462,275	-	-	-
Debt investments with no active market - current (Notes 6, 12 and 32)	-	-	2,596,386	1
Notes receivable				
Third parties	95,212	-	102,303	-
Trade receivables				
Third parties (Note 13)	474,070	-	365,037	-
Related parties (Notes 13 and 32)	520,982	-	399,481	-
Other receivables (Note 32)	29,495	-	33,114	-
Current tax assets (Note 28)	9,022	-	5,664	-
Inventories (Note 14)	1,663,395	1	1,303,587	1
Prepayments (Note 19)	188,456	-	105,239	-
Other current assets	12,125	-	8,327	-
Total current assets	10,164,679	5	8,969,876	5
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 15 and 34)	125,632,890	65	109,772,422	61
Financial assets at fair value through other comprehensive income - non-current (Note 8)	5,386,142	3	-	-
Available-for-sale financial assets - non-current (Note 9)	-	-	9,044,215	5
Financial assets measured at cost - non-current (Note 10)	-	-	128,793	-
Property, plant and equipment (Notes 16 and 34)	4,374,050	2	4,665,393	3
Investment properties (Notes 17, 32 and 34)	41,689,694	22	42,019,637	23
Intangible assets (Note 18)	8,344	-	8,948	-
Deferred tax assets (Note 28)	12,603	-	168,986	-
Long-term prepayments for leases (Note 19)	369,801	-	259,142	-
Other non-current assets (Notes 20, 24 and 32)	5,192,895	3	4,808,286	3
Total non-current assets	182,666,419	95	170,875,822	95
TOTAL	$ 192,831,098	100	$ 179,845,698	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bills payable (Note 21)	$ 11,437,104	6	$ 9,128,405	5
Financial liabilities at fair value through profit or loss - current (Note 7)	268,218	-	-	-
Contract liabilities - current (Note 26)	40,661	-	-	-
Accounts payable and accrued expenses				
Third parties	1,415,215	1	1,342,662	1
Related parties (Note 32)	188,104	-	172,116	-
Dividends and bonuses payable	214,593	-	201,986	-
Current tax liabilities (Note 28)	8,477	-	-	-
Customers' deposits and advances	-	-	49,701	-
Deferred revenue - current (Note 23)	75,912	-	68,085	-
Current portion of long-term liabilities (Note 22)	4,000,000	2	4,088,612	2
Total current liabilities	17,648,284	9	15,051,567	8
NON-CURRENT LIABILITIES				
Bonds payable (Note 22)	12,192,567	6	10,000,000	6
Long-term borrowings (Note 22)	15,025,011	8	18,574,083	10
Provisions - non-current (Note 23)	98,000	-	-	-
Deferred tax liabilities (Note 28)	9,020,630	5	7,894,060	4
Deferred revenue - non-current (Note 23)	923,805	-	858,838	1
Other non-current liabilities	30,575	-	31,585	-
Total non-current liabilities	37,290,588	19	37,358,566	21
Total liabilities	54,938,872	28	52,410,133	29
EQUITY (Notes 25 and 28)				
Ordinary shares	33,614,472	17	33,614,472	19
Capital surplus	1,362,554	1	1,168,692	1
Retained earnings				
Legal reserve	15,615,380	8	15,068,480	8
Special reserve	63,945,145	33	63,001,957	35
Unappropriated earnings	20,358,461	11	16,125,837	9
Total retained earnings	99,918,986	52	94,196,274	52
Other equity	2,996,214	2	(1,543,873)	(1)
Total equity	137,892,226	72	127,435,565	71
TOTAL	$ 192,831,098	100	$ 179,845,698	100

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

(With Deloitte & Touche auditors' report dated March 21, 2019)

ASIA CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 26 and 32)	$ 8,732,236	100	$ 8,186,867	100
OPERATING COSTS (Notes 14, 26, 27 and 32)	8,479,146	97	7,525,121	92
GROSS PROFIT	253,090	3	661,746	8
REALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES AND ASSOCIATES	3,444	-	9,181	-
REALIZED GROSS PROFIT	256,534	3	670,927	8
OPERATING EXPENSES				
Administrative expenses (Notes 27 and 32)	649,813	8	522,645	6
Expected credit loss (Note 13)	694	-	-	-
Total operating expenses	650,507	8	522,645	6
OPERATING (LOSS) INCOME	(393,973)	(5)	148,282	2
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 27)	592,445	7	439,018	5
Other gains and losses (Note 27)	(641,800)	(7)	(85,962)	(1)
Finance costs (Note 27)	(331,984)	(4)	(331,552)	(4)
Share of profit or loss of subsidiaries and associates	12,970,044	148	5,231,593	64
Total non-operating income and expenses	12,588,705	144	5,253,097	64
INCOME BEFORE INCOME TAX	12,194,732	139	5,401,379	66
INCOME TAX EXPENSE (BENEFIT) (Note 28)	1,077,638	12	(67,628)	(1)
NET INCOME FOR THE YEAR	11,117,094	127	5,469,007	67
OTHER COMPREHENSIVE INCOME, NET				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(9)	-	-	-
Remeasurement of defined benefit plans	265,965	3	148,032	2
Share of other comprehensive income of subsidiaries and associates	1,426,545	17	103,891	1
	1,692,501	20	251,923	3

(Continued)

ASIA CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain on available-for-sale financial assets	$ -	-	$ 1,745,213	21
Share of other comprehensive income of subsidiaries and associates	1,758	-	429,603	5
	1,758	-	2,174,816	26
Other comprehensive income for the year, net of income tax	1,694,259	20	2,426,739	29
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 12,811,353	147	$ 7,895,746	96
EARNINGS PER SHARE (Note 29)				
Basic	$ 3.54		$ 1.74	
Diluted	$ 3.49		$ 1.74	

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

(With Deloitte & Touche auditors' report dated March 21, 2019) (Concluded)

ASIA CEMENT CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Capital Stock Issued			Retained Earnings			Other Equity						
	Shares	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gains on Property Revaluation	Cash Flow Hedge	Total	Total Equity
BALANCE AT JANUARY 1, 2017	3,361,447	$ 33,614,472	$ 1,167,881	$ 14,673,903	$ 62,119,922	$ 14,805,588	$ (44,313)	$ (4,023,554)	$ -	$ 307,728	$ 41,450	$ (3,718,689)	$ 122,663,077
Appropriation of 2016 earnings													
Legal reserve	-	-	-	394,577	-	(394,577)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	881,019	(881,019)	-	-	-	-	-	-	-
Cash dividends - $0.9 per share	-	-	-	-	-	(3,025,302)	-	-	-	-	-	-	(3,025,302)
Changes in capital surplus from investments in subsidiaries and associates accounted for using equity method	-	-	811	-	-	-	-	-	-	-	-	-	811
Net profit for the year ended December 31, 2017	-	-	-	-	-	5,469,007	-	-	-	-	-	-	5,469,007
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	-	-	251,923	(2,593,840)	4,751,621	-	-	17,035	2,174,816	2,426,739
Other changes in equity from investments in subsidiaries and associates accounted for using equity method	-	-	-	-	1,016	(99,783)	-	-	-	-	-	-	(98,767)
BALANCE AT DECEMBER 31, 2017	3,361,447	33,614,472	1,168,692	15,068,480	63,001,957	16,125,837	(2,638,153)	728,067	-	307,728	58,485	(1,543,873)	127,435,565
Effect of retrospective application and retrospective restatement	-	-	-	-	-	1,713,459	-	(728,067)	516,962	-	-	(211,105)	1,502,354
BALANCE AT JANUARY 1, 2018, AS RESTATED	3,361,447	33,614,472	1,168,692	15,068,480	63,001,957	17,839,296	(2,638,153)	-	516,962	307,728	58,485	(1,754,978)	128,937,919
Appropriation of 2017 earnings													
Legal reserve	-	-	-	546,900	-	(546,900)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	943,188	(943,188)	-	-	-	-	-	-	-
Cash dividends - $1.2 per share	-	-	-	-	-	(4,033,736)	-	-	-	-	-	-	(4,033,736)
Equity component of convertible bonds issued by the Corporation	-	-	185,411	-	-	-	-	-	-	-	-	-	185,411
Changes in capital surplus from investments in subsidiaries and associates accounted for using equity method	-	-	8,451	-	-	-	-	-	-	-	-	-	8,451
Net profit for the year ended December 31, 2018	-	-	-	-	-	11,117,094	-	-	-	-	-	-	11,117,094
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	351,764	(3,211)	-	1,343,257	-	2,449	1,342,495	1,694,259
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(3,408,697)	-	-	3,408,697	-	-	3,408,697	-
Other changes in equity from investments in subsidiaries and associates accounted for using equity method	-	-	-	-	-	(17,172)	-	-	-	-	-	-	(17,172)
BALANCE AT DECEMBER 31, 2018	3,361,447	$ 33,614,472	$ 1,362,554	$ 15,615,380	$ 63,945,145	$ 20,358,461	$ (2,641,364)	$ -	$ 5,268,916	$ 307,728	$ 60,934	$ 2,996,214	$ 137,892,226

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

(With Deloitte & Touche auditors' report dated March 21, 2019)

ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 12,194,732	$ 5,401,379
Adjustments for:		
Share of profit or loss of subsidiaries and associates	(12,970,044)	(5,231,593)
Depreciation expenses	464,781	641,963
Dividend income	(405,773)	(297,566)
Finance costs	331,984	331,552
Loss (gain) on changes in fair value of investment properties	331,211	(380,386)
Net gain on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	(171,737)	(10,900)
Interest income	(114,003)	(57,841)
Write-downs of inventories	52,791	-
Unrealized loss on foreign exchange	44,425	257,339
(Gain) loss on disposal of property, plant and equipment	(4,053)	79
Realized gross profit on sales to subsidiaries and associates	(3,444)	(9,181)
Amortization expenses	3,297	3,438
Expected credit loss recognized on trade receivables	694	-
Effect of changes in exchange rate of bonds payable	300	(7,470)
Gain on disposal of available-for-sale financial assets	-	(34,961)
Reversal of impairment loss on trade receivables	-	(254)
Other items	-	4,409
Changes in operating assets and liabilities:		
Notes receivable	7,091	32,810
Trade receivables	(238,962)	(28,858)
Other receivables	1,322	(12,540)
Inventories	(396,116)	(25,003)
Prepayments	(52,997)	52,336
Other current assets	(3,798)	(223)
Net defined benefit assets	(37,657)	(20,774)
Contract liabilities	(9,040)	-
Accounts payable and accrued expenses	189,552	(53,426)
Provisions	48,000	-
Customers' deposits and advances	-	(12,146)
Deferred revenue	(68,085)	(68,085)
Cash generated from operations	(805,529)	474,098
Interest received	112,952	57,546
Dividend received	4,296,112	3,105,652
Interest paid	(336,387)	(325,003)
Income tax paid	(11,234)	(2,267)
Net cash generated from operating activities	3,255,914	3,310,026
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at amortized cost	2,096,122	-
Acquisition of property, plant and equipment	(194,754)	(172,142)

(Continued)

ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
Increase in refundable deposits	$ (33,377)	$ (720,804)
Proceeds from disposal of property, plant and equipment	4,059	-
Acquisition of intangible assets	(2,693)	(2,099)
Acquisition of investment properties	(1,269)	(48,967)
Increase in debt investments with no active market	-	(1,872,833)
Increase in long-term prepayments for investment	-	(1,911,179)
Acquisition of available-for-sale financial assets	-	(899,109)
Proceeds from disposal of available-for-sale financial assets	-	286,209
Net cash generated from (used in) investing activities	1,868,088	(5,340,924)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	(18,588,000)	(17,700,000)
Proceeds from long-term borrowings	15,033,000	18,588,000
Proceeds from issuance of bonds	6,574,843	-
Repayments of bonds	(4,089,430)	-
Dividends paid	(4,033,715)	(3,025,272)
Increase in short-term bills payable	2,310,000	2,990,000
Decrease in guarantee deposits received	(1,010)	(400)
Net cash (used in) generated from financing activities	(2,794,312)	852,328
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	20,179	(124,655)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,349,869	(1,303,225)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	815,926	2,119,151
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,165,795	$ 815,926

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

(With Deloitte & Touche auditors' report dated March 21, 2019) (Concluded)

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 shares have 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, 2018, the issued and outstanding GDSs aggregated 17,072 units, representing 170,717 shares of the Corporation.

The financial statements are presented in the Corporation's functional currency, 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 21, 2019.

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

   Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Corporation's accounting policies:

   1) IFRS 9 "Financial Instruments" and related amendments

      IFRS 9 supersedes IAS 39 "Financial Instruments: Recognition and Measurement", with consequential amendments to IFRS 7 "Financial Instruments: Disclosures" and other standards. IFRS 9 sets out the requirements for classification, measurement and impairment of financial assets and hedge accounting. Refer to Note 4 for information relating to the relevant accounting policies.

      Classification, measurement and impairment of financial assets

      On the basis of the facts and circumstances that existed as of January 1, 2018, the Corporation has performed an assessment of the classification of recognized financial assets and has elected not to restate prior reporting periods.

The following table shows the original measurement categories and carrying amount under IAS 39 and the new measurement categories and carrying amount under IFRS 9 for each class of the Corporation's financial assets and financial liabilities as of January 1, 2018.

	Measurement Category		Carrying Amount		
Financial Assets	**IAS 39**	**IFRS 9**	**IAS 39**	**IFRS 9**	**Remark**
Cash and cash equivalents	Loans and receivables	Amortized cost	$ 815,926	$ 815,926	-
Mutual funds	Held- for- trading	Mandatorily at FVTPL	171,500	171,500	-
Equity securities	Available- for- sale	Mandatorily at FVTPL	782,286	782,286	a)
	Available- for- sale	FVTOCI - equity instruments	11,454,034	11,873,357	a)
Time deposits with original maturities of more than 3 months	Loans and receivables	Amortized cost	2,596,386	2,596,386	-
Notes receivable, trade receivables and other receivables (including related parties)	Loans and receivables	Amortized cost	899,935	899,935	-

Financial Assets	**IAS 39 Carrying Amount as of January 1, 2018**	**Reclassifications**	**Remeasurements**	**IFRS 9 Carrying Amount as of January 1, 2018**	**Retained Earnings Effect on January 1, 2018**	**Other Equity Effect on January 1, 2018**	**Remark**
FVTPL	$ 171,500	$ -	$ -	$ 171,500	$ -	$ -	
Add: Reclassification from available-for-sale (IAS 39) - required reclassification	-	782,286	-	782,286	183,322	(183,322)	a)
	171,500	782,286	-	953,786	183,322	(183,322)	
FVTOCI							
Equity instruments	-	-	-	-	-	-	
Add: Reclassification from available-for-sale (IAS 39)	-	11,454,034	419,323	11,873,357	759,639	(340,316)	a)
	-	11,454,034	419,323	11,873,357	759,639	(340,316)	
	$ 171,500	$ 12,236,320	$ 419,323	$ 12,827,143	$ 942,961	$ (523,638)	

a) The Corporation elected to classify its investments in equity securities previously classified as available-for-sale under IAS 39 as partly at FVTPL and partly at FVTOCI under IFRS 9. As a result, the related other equity - unrealized gain (loss) on available-for-sale financial assets was reclassified to retained earnings in the amount of $183,322 thousand and to other equity - unrealized gain (loss) on financial assets at FVTOCI in the amount of $3,458,455 thousand.

Investments in unlisted shares previously measured at cost under IAS 39 have been designated as at FVTOCI under IFRS 9 and were remeasured at fair value. Consequently, an increase of $419,323 thousand was recognized in both financial assets at FVTOCI and other equity - unrealized gain (loss) on financial assets at FVTOCI on January 1, 2018.

The Corporation recognized impairment loss under IAS 39 on certain investments in equity securities measured at cost and the loss was accumulated in retained earnings. Since those investments were designated as at FVTOCI under IFRS 9 and no impairment assessment is required, an adjustment was made that resulted in a decrease of $759,639 thousand in other equity - unrealized gain (loss) on financial assets at FVTOCI and an increase of $759,639 thousand in retained earnings on January 1, 2018.

	IAS 39 Carrying Amount as of January 1, 2018	**Adjustments Arising from Initial Application**	**IFRS 9 Carrying Amount as of January 1, 2018**	**Retained Earnings Effect on January 1, 2018**	**Other Equity Effect on January 1, 2018**	**Remark**
Investments accounted for using equity method	$ 109,772,422	$ 477,945	$ 110,250,367	$ 165,412	$ 312,533	b)

b) As a result of the associates' retrospective application of IFRS 9, there was an increase in investments accounted for using equity method of $477,945 thousand, an increase in other equity - unrealized gain (loss) on financial assets at FVTOCI of $312,533 thousand and an increase in retained earnings of $165,412 thousand on January 1, 2018

2) IFRS 15 “Revenue from Contracts with Customers” and related amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers and supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations. Refer to Note 4 for related accounting policies

The impact on assets, liabilities and equity of retrospective application of IFRS 15 on January 1, 2018 is detailed below:

	Carrying Amount as of January 1, 2018	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2018
Impact on assets, liabilities and equity			
Investments accounted for using equity method	$ 109,772,422	$ 605,086	$ 110,377,508
Unappropriated earnings	$ 16,125,837	$ 605,086	$ 16,730,923

b. Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC for application starting from 2019

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 “Prepayment Features with Negative Compensation”	January 1, 2019 (Note 2)
IFRS 16 “Leases”	January 1, 2019
Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”	January 1, 2019 (Note 3)
Amendments to IAS 28 “Long-term Interests in Associates and Joint Ventures”	January 1, 2019
IFRIC 23 “Uncertainty over Income Tax Treatments”	January 1, 2019

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 FSC permits the election for early adoption of the amendments starting from 2018.

Note 3: The Corporation shall apply these amendments to plan amendments, curtailments or settlements occurring on or after January 1, 2019.

1) IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Definition of a lease

Upon initial application of IFRS 16, the Corporation will elect to apply IFRS 16 only to contracts entered into or changed on or after January 1, 2019 and identified as lease contracts or contracts that contain a lease under IFRS 16. Contracts identified as containing a lease under IAS 17 and IFRIC 4 will not be reassessed and will be accounted for in accordance with the transitional provisions under IFRS 16.

The Corporation as lessee

Upon initial application of IFRS 16, the Corporation will recognize right-of-use assets and lease liabilities for all leases on the balance sheets expect for those whose payments under low-value asset and short-term leases will be recognized as expenses on a straight-line basis. On the parent company only statements of comprehensive income, the Corporation will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the parent company only statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities. Cash flows for operating leases are classified within operating activities on the parent company only statements of cash flows.

The Corporation will apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

Lease liabilities for leases currently classified as operating leases under IAS 17 will be recognized on January 1, 2019. Lease liabilities will be measured at the present value of the remaining lease payments, discounted at the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets will be measured at an amount equal to the lease liabilities. The Corporation will apply IAS 36 to all right-of-use assets assess impairment.

The Corporation expects to apply the following practical expedients:

a) The Corporation will apply a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

b) The Corporation will use hindsight, such as in determining lease terms, to measure lease liabilities.

The Corporation as lessor

The Corporation will not make any adjustments to leases in which it is the lessor and will account for those leases under IFRS 16 starting from January 1, 2019.

Anticipated impact on assets, liabilities and equity

	Carrying Amount as of December 31, 2018	**Adjustments Arising from Initial Application**	**Adjusted Carrying Amount as of January 1, 2019**
Right-of-use assets	$ -	$ 553,768	$ 553,768
Prepayments for leases - current	35,331	(25,879)	9,452
Prepayments for leases - non-current	369,801	(351,685)	18,116
Total effect on assets	$ 405,132	$ 176,204	$ 581,336
Lease liabilities - current	$ -	$ 81,737	$ 81,737
Lease liabilities - non-current	-	94,467	94,467
Total effect on liabilities	$ -	$ 176,204	$ 176,204

2) IFRIC 23 “Uncertainty over Income Tax Treatments”

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Corporation should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Corporation concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Corporation should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Corporation should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the entity expects to better predict the resolution of the uncertainty. The Corporation has to reassess its judgments and estimates if facts and circumstances change.

Except for the above impacts, as of the date the financial statements were authorized for issue, the Corporation assessed that the application of the aforementioned amendments would not have any material impact on the Corporation’s financial position and financial performance.

c. New amended and revised standards and interpretations in issue but not yet endorsed and issued into effect by the FSC (collectively, the “New IFRSs”)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 2)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

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 Corporation shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 3: The Corporation shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

As of the date the financial statements were authorized for issue, the Corporation is continuously assessing the possible impact that the application of the above 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 which are measured at fair value, investment properties, and net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, 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 an 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 an asset or liability.

When preparing its parent company only financial statements, the Corporation used equity method to account for its investment in subsidiaries and associates. 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 using equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income or loss 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 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 entities were measured at fair value model with the decrease in total equity and net profit for the year recorded in “investments accounted for using equity method” and “share of profit or loss of subsidiaries and 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 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the 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 12 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 Corporation's functional currency (i.e. 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 from 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 cases, 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 translated using the exchange rate at the date of the transaction.

For the purpose of presenting parent company only financial statements, the assets and liabilities of the Corporation's foreign operations (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

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. The 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 weighted-average cost on the balance sheet date.

Investment in Subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of profit or loss and other comprehensive income (loss) of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

Any excess of the cost of acquisition over the Corporation's share of net fair value of the identifiable assets and liabilities of a subsidiary 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 net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes the reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, 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 or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

Investment in Associates

An associate is an entity over which the Corporation has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of 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.

Any excess of the cost of acquisition over the Corporation's share of net fair value of the identifiable assets and liabilities of an associate 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 net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

If the measurement of the fair values of the identifiable net assets and liabilities of an associate acquired in stage is incomplete by the end of the reporting period, the Corporation reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date.

When the Corporation subscribes for additional new shares of an 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 - changes in capital surplus from investments in associates accounted for using equity method. If the Corporation's ownership interest is reduced due to its additional subscription of the new shares of the 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 using equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of an 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 parent company only financial statements only to the extent of unrelated parties' interests in the associate.

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 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 methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Investment Properties

Investment properties are properties held to earn rentals and/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. Changes in the fair value of investment properties are 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 and the carrying amount of the property at the date of transfer is recognized in other comprehensive income.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

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.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

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 any 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 Corporation 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.

The 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, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit 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 or cash-generating unit 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 the Corporation 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 an acquisition or issuance 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

2018

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

1) Financial assets at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified or it is designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured 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. Fair value is determined in the manner described in Note 31.

2) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a) The financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows; and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables, other receivables and debt instruments at amortized cost, are measured at amortized cost, which is the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

Cash equivalents include time deposits, bonds sold under repurchase agreements and commercial papers with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

3) Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2017

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 such financial assets are held for trading.

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 dividends or interest earned on the financial asset. Fair value is determined in the manner described in Note 31.

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 31.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amounts 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 such investments are disposed of or are 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 measured 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 equivalents, debt investments with no active market, trade receivables and other receivables) 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 equivalents include time deposits, bonds sold under repurchase agreements and commercial papers with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are 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

2018

The Corporation recognizes allowance for expected credit loss (ECL) on financial assets at amortized cost (including trade receivables) as well as lease receivables at the end of each reporting period.

The Corporation's policy is to always recognize allowance for lifetime ECL on trade receivables. For all other financial instruments and lease receivables, the Corporation will recognize lifetime ECL when there is a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation will measure the allowance for loss on that financial instrument at an amount equal to 12-month ECL.

ECL is the weighted average of credit losses estimated by using assigned levels of risks of defaults occurring as the weights. Lifetime ECL represents the expected credit loss that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible to occur within 12 months after the reporting date.

Impairment loss on all financial instruments is recognized with a corresponding adjustment to their carrying amount through a loss allowance account.

2017

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 measured at amortized cost, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be 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 financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For any available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

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 is not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are measured 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 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 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.

Before 2018, 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 which had been recognized in other comprehensive income is recognized in profit or loss. Starting from 2018, on derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through 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 held for trading and are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on the financial liability. Fair value is determined in the manner described in Note 31.

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.

Convertible bonds

The component parts of compound instruments (i.e. convertible bonds) issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the liability component are included in the carrying amount of the liability component. Transaction costs relating to the equity component are recognized directly in equity.

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. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) 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 mixed contracts are not measured at FVTPL.

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

Revenue Recognition

2018

The Corporation identifies the contract with the customers, identifies the performance obligations in the contract, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

When another party is involved in providing goods or services to a customer, the Corporation is a principal if it controls the specified good or service before that good or service is transferred to a customer; otherwise, the Corporation is acting as an agent. The principal recognizes revenues and costs associated with providing the goods or services at the gross amount, while an agent recognizes revenue at the net amount. When a specified good or service is a distinct good or service, the Corporation determines whether it is a principal or an agent for each specified good or service.

The Corporation is a principal if it obtains control of any one of the following:

a. Before the good or another asset transfers to the customer, the Corporation acquire the good or the control of asset from another party.

b. The right to a service to be performed by another party which gives the Corporation the ability to direct that party to provide the service to the customer on its behalf.

c. A good or service from another party that it then combines with other goods or services in providing a specified good or service to the customer.

Indicators to support the Corporation's assessment of whether it controls a specified good or service include, but are not limited to, the following:

a. The Corporation is primarily responsible for fulfilling the promise to provide the specified good or service.

b. The Corporation has inventory risk before or after the specified good or service is transferred to the customer.

c. The Corporation has discretion in establishing the price of the specified good or service.

2017

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. Allowances for sales returns and liabilities for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

a. Sale of goods

   Revenue from the sale of goods is recognized when 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 effective interest rate applicable.

Leasing

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 services.

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Corporation's defined benefit plans. 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 of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain 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 assets and liabilities 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 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 tax and deferred tax for the year

Current tax 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 tax 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, estimations 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 estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

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 appraisers for the application of appropriate valuation techniques for fair value measurements in accordance with related regulations or professional standards.

Where Level 1 inputs are not available, the engaged appraisers would determine appropriate inputs by referring to the analyses of the financial position and the operating results of the investees and valuation multiples of entities that are comparable with the investees of the Corporation's equity instruments not quoted in active markets or market prices or rates and specific features of the Corporation's derivatives or 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 Notes 8, 9, 17 and 31.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2018	**2017**
Checking accounts and demand deposits	$ 848,592	$ 448,238
Petty cash	915	1,215
Cash on hand	355	359
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	2,162,608	217,564
Repurchase agreements collateralized by bonds	153,325	148,550
	$ 3,165,795	$ 815,926

The market rate intervals of time deposits and repurchase agreements collateralized by bonds at the end of the reporting period were as follows:

	December 31	
	2018	**2017**
Time deposits	2.80%-3.35%	1.80%-3.60%
Repurchase agreements collateralized by bonds	2.52%	2.04%

In 2018

Time deposits with original maturities of more than 3 months in the amounts of $462,275 thousand as of December 31, 2018, are classified as financial assets at amortized cost in the balance sheets. Refer to Note 11.

In 2017

Time deposits with original maturities of more than 3 months in the amounts of $2,596,386 thousand as of December 31, 2017, were classified as debt investments with no active market in the balance sheets. Refer to Note 12.

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

	December 31	
	2018	2017
Financial assets at FVTPL		
Financial assets held for trading		
Non-derivative financial assets		
Beneficiary certificates	$ -	$ 171,500
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Beneficiary certificates	135,400	-
Listed stocks	1,037,426	-
	1,172,826	-
	$ 1,172,826	$ 171,500
Financial liabilities at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Bond options (Note 22)	$ 223,501	$ -
Cross-currency swap contracts	44,717	-
	$ 268,218	$ -

The Corporation entered into cross-currency swap contracts to manage exposures to exchange rate fluctuations. The Corporation's financial hedging strategy is to avoid most of the cash flow risk exposure. At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting were as follows:

Notional Amounts (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
US$215,000	2021.9.15	-	2.68%-2.80%

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - 2018

	December 31, 2018	
	Current	Non-current
Domestic investments		
Listed stocks	$ 2,371,026	$ 4,812,769
Unlisted stocks	-	573,373
	$ 2,371,026	$ 5,386,142

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes. These investments in equity instruments were classified as financial assets at fair value through profit or loss, available-for-sale financial assets and financial assets measured at cost under IAS 39. Refer to Notes 3, 7, 9 and 10 for information relating to their reclassification and comparative information for 2017.

The board of directors of China Shanshui Cement Group Limited (CSCGL) made an announcement on April 16, 2015 that the percentage of CSCGL's securities held by the public has fallen below the prescribed 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 the trading of CSCGL's securities until the percentage of securities in public hands satisfies the minimum requirement.

On October 30, 2018, CSCGL's shareholders resolved to restore the minimum public float requirement of 25% by issuing new shares of 974,825,988 at HK$4.2 per share. Then CSCGL resumed its trading on the Exchange effective on October 31, 2018.

The Corporation and its subsidiaries previously had a 22.50% equity interest in CSCGL, which has reduced to 17.46% after the subscription mentioned above. However, the Corporation's chief financial officer, Mrs. Wu Ling-Ling, was elected to be the executive director of CSCGL since May 23, 2018. As CSCGL already addressed the audit issues raised by the Exchange and the confirmed the potential dilution of shareholding in the Corporation's interests in CSCGL, the Corporation objectively demonstrated that it was able to exercise significant influence over CSCGL although the Corporation only holds less than 20% of the voting power. Accordingly, the Corporation's investment in CSCGL was reclassified from financial assets at fair value through other comprehensive income to investments accounted for using equity method using the closing price on the Exchange on October 31, 2018. Refer to Note 15.

Refer to Note 34 for information relating to financial assets at fair value through other comprehensive income pledged as collaterals.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS - 2017

	December 31, 2017	
	Current	**Non-current**
Domestic investments		
Listed stocks	$ 2,281,026	$ 5,155,710
Foreign investments		
Listed stocks	782,286	3,888,505
	$ 3,063,312	$ 9,044,215

As of December 31, 2017, trading of CSCGL's securities was still suspended and there was no quoted price in active markets. The Corporation engaged third party qualified appraisers for fair value measurement of CSCGL's securities. According to the appraisal, the fair value per share was HK$2.82 as of December 31, 2017. For the year ended December 31, 2017, the net unrealized gain on CSCGL amounted to $2,898,200 thousand. As of December 31, 2017, the accumulated net unrealized loss on CSCGL amounted to $4,447,073 thousand. The Corporation considered that the decline in fair value is temporary and thus recognized the changes in fair value in other comprehensive income (loss) and other equity.

Refer to Note 34 for information relating to available-for-sale financial assets pledged as collaterals.

10. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT - 2017

	December 31, 2017
Domestic unlisted stocks	
Kaohsiung Rapid Transit Corp. (KRT)	$ 87,448
Taiwan Stock Exchange Corp.	23,752
L'Hotel de Chine Group	11,441
Ding Ding Hotel Corp. (DDH)	-
Others	6,152
	$ 128,793
Classified according to financial asset measurement categories	
Available-for-sale financial assets	$ 128,793

a. Management believed that the fair value of the above unlisted equity investments held by the Corporation cannot be reliably measured, because the range of reasonable fair value estimates was so significant. Therefore, they were measured at cost less impairment at the end of reporting period.

b. On June 30, 2013, the Corporation invested $107,290 thousand in KRT. The investment cost is amortized over the period of the chartered right to operate (to October 2037). As of December 31, 2017, the accumulated amortization amount is $19,842 thousand.

c. As of December 31, 2017, the Corporation recognized impairment loss on the full amount of its investment in DDH.

11. FINANCIAL ASSETS AT AMORTIZED COST - CURRENT - 2018

	December 31, 2018
Time deposits with original maturities of more than 3 months	$ 462,275

Based on the Corporation's assessment, the credit risk of these financial assets is not expected to be high and has not increased since initial recognition.

These time deposits were classified as debt investments with no active market under IAS 39. Refer to Notes 3 and 12 for information relating to their reclassification and comparative information for 2017.

12. DEBT INVESTMENTS WITH NO ACTIVE MARKET - CURRENT - 2017

	December 31, 2017
Time deposits with original maturities of more than 3 months	$ 2,596,386

13. TRADE RECEIVABLES

	December 31	
	2018	**2017**
Trade receivables - sales	$ 983,780	$ 752,930
Operating lease receivable	17,778	17,400
Less: Allowance for impairment loss - sales	(6,506)	(5,812)
	$ 995,052	$ 764,518

Trade Receivables - Sales

In 2018

The average credit period of receivables from sales of goods was 30-150 days. The Corporation reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. The Corporation obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

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

December 31, 2018

	Less than 90 Days	**91 to 180 Days**	**181 to 365 Days**	**Over 366 Days**	**Total**
Gross carrying amount	$ 960,363	$ 23,417	$ -	$ -	$ 983,780
Loss: Allowance (lifetime ECL)	-	(6,506)	-	-	(6,506)
Amortized cost	$ 960,363	$ 16,911	$ -	$ -	$ 977,274

The above aging schedule was based on the invoice date.

The Corporation individually and collectively evaluated the reasonableness of allowance for impairment loss. The movements of the loss allowance of trade receivables were as follows:

	December 31, 2018
Balance at January 1, 2018	$ 5,812
Add: Impairment losses recognized on receivables	694
Balance at December 31, 2018	$ 6,506

In 2017

The Corporation applied the same credit policy in 2018 and 2017. In determining the recoverability of trade receivables, the Corporation considered any changes in credit quality of the trade receivables since the day credit was initially granted to the end of the reporting period.

The Corporation transacted with vast variety of independent customers; thus, concentration of credit risk was limited.

Past due but not impaired trade receivables are trade receivables that are past due at the end of the reporting period but the Corporation does not recognize any allowance for impairment loss when there is no significant change in credit quality and the amounts are still considered recoverable. Furthermore, the Corporation requires collaterals or other credit enhancements to secure the receivables. The Corporation does not offset trade receivables from a counterparty against accounts payable to the same counterparty when the Corporation does not have the legal rights to offset.

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

	December 31, 2017
Less than 90 days	$ 726,984
91-180 days	20,134
	$ 747,118

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

	December 31, 2017
91-180 days	$ 243

The above aging schedule was based on the invoice date.

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

	Collectively Assessed for Impairment
Balance at January 1, 2017	$ 6,066
Less: Impairment losses reversed on receivables	(254)
Balance at December 31, 2017	$ 5,812

14. INVENTORIES

	December 31	
	2018	2017
Finished goods	$ 248,752	$ 174,920
Work in progress	471,871	511,955
Raw materials	757,790	367,256
Supplies	184,982	249,456
	$ 1,663,395	$ 1,303,587

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2018 and 2017 were $8,309,912 thousand and $7,349,168 thousand, respectively. The cost of goods sold included inventory write-downs of $52,791 thousand in 2018.

15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2018	2017
Investments in subsidiaries	$ 66,031,029	$ 58,478,233
Investments in associates	62,396,158	54,503,916
	128,427,187	112,982,149
Less: Effect of investment properties at fair value method	2,794,297	3,209,727
	$ 125,632,890	$ 109,772,422

a. Investments in subsidiaries

	December 31	
	2018	2017
Listed stocks		
Asia Cement (China) Holdings Corp. (ACCHC)	$ 36,545,690	$ 30,476,645
Unlisted stocks		
Der Ching Investment Corp. (DCI)	12,471,554	11,972,491
Chiahui Power Corp. (CHP)	5,825,842	5,727,396
Asia Cement (Singapore) Pte. Ltd. (ACSPL)	3,578,207	3,179,210
Yuan Long Stainless Steel Corp. (YLSS)	1,977,315	1,860,353
Asia Investment Corp. (AIC)	1,934,281	1,460,530
Ya Tung Ready-Mixed Concrete Corp. (YTRMC)	1,556,879	1,601,300
Fu Ming Transport Corp. (FMT)	1,418,575	1,421,690
Yali Transport Corp. (YLT)	251,861	233,927
Nan Hwa Cement Corp. (NHC)	214,201	356,280
Asia Engineering Enterprise Corp. (AEE)	128,288	104,373
Ya Li Precast and Prestressed Concrete Industries Corp. (YLPPC)	76,452	35,595
Sunrise Industrial Holdings Ltd. (SIHL)	51,884	48,443
	29,485,339	28,001,588
	$ 66,031,029	$ 58,478,233

At the end of the reporting period, the percentages of owners' voting rights in subsidiaries held by the Corporation were as follows:

Name of Subsidiary	December 31 2018	December 31 2017
ACCHC	67.73%	67.73%
DCI	99.99%	99.99%
CHP	59.59%	59.59%
ACSPL	99.96%	99.96%
YLSS	100.00%	100.00%
YTRMC	99.99%	99.99%
FMT	99.82%	99.82%
AIC	100.00%	100.00%
YLT	51.00%	51.00%
NHC	99.94%	99.94%
AEE	98.23%	98.23%
YLPPC	83.81%	83.81%
SIHL	100.00%	100.00%

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

Name of Subsidiary	December 31 2018	December 31 2017
ACCHC	$ 22,669,116	$ 10,982,433

b. Investment in associates

	December 31 2018	December 31 2017
Material associates		
Listed stocks		
Far Eastern New Century Corporation (FENC)	$ 39,803,907	$ 38,167,156
U-Ming Marine Transport Corp. (U-Ming)	9,983,803	8,498,063
CSCGL	4,460,107	-
	54,247,817	46,665,219
Associates that are not individually material		
Unlisted stocks		
Yuan Ding Leasing Corp. (YDC)	3,263,209	3,235,051
Yue Yuan Investment Corp. (YYI)	1,939,588	1,656,355
Oriental Securities Corp. (OSC)	1,877,359	1,866,239
FEDS Development Ltd. (FEDSDL)	617,872	633,447
Yuan Ding Leasing Corp. (YDLC)	368,032	368,059
Everstrong Iron & Steel Foundry Ltd. (EISF)	82,281	79,546
	8,148,341	7,838,697
	$ 62,396,158	$ 54,503,916

At the end of the reporting period, the percentages of owners' voting rights in associates held by the Corporation were as follows:

Name of Associate	December 31 2018	2017
FENC	23.77%	23.77%
U-Ming	39.25%	39.25%
CSCGL	7.62%	-
YDC	35.50%	35.50%
YYI	29.92%	29.92%
OSC	18.93%	18.93%
FEDSDL	25.00%	25.00%
YDLC	43.60%	43.60%
EISF	40.40%	40.40%

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

Name of Associate	December 31 2018	2017
FENC	$ 35,496,531	$ 34,097,026
U-Ming	$ 10,697,362	$ 12,107,092
CSCGL	$ 2,724,722	$ -

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

FENC:

	December 31 2018	2017
Current assets	$ 31,423,092	$ 23,622,633
Non-current assets	285,607,062	262,497,651
Current liabilities	23,339,671	15,560,934
Non-current liabilities	90,155,346	76,198,963
Equity	203,535,137	194,360,387
Proportion of the Corporation's ownership	23.77%	23.77%
Equity attributable to the Corporation	48,380,302	46,199,464
Cross shareholdings	(8,576,395)	(8,032,308)
Carrying amount	$ 39,803,907	$ 38,167,156

	For the Year Ended December 31 2018	2017
Operating revenue	$ 54,063,801	$ 45,216,423
Net profit for the year	$ 12,028,294	$ 8,066,136
Other comprehensive income (loss)	855,093	(257,424)
Total comprehensive income for the year	$ 12,883,387	$ 7,808,712
Dividends received from FENC	$ 1,526,733	$ 1,017,822

U-Ming:

	December 31	
	2018	**2017**
Current assets	$ 1,985,037	$ 1,833,612
Non-current assets	50,008,362	48,545,075
Current liabilities	17,453,879	20,772,900
Non-current liabilities	8,913,985	7,765,577
Equity	25,625,535	21,840,210
Proportion of the Corporation's ownership	39.25%	39.25%
Equity attributable to the Corporation	10,058,022	8,572,282
Unrealized gain or loss with associates	(74,219)	(74,219)
Carrying amount	$ 9,983,803	$ 8,498,063

	For the Year Ended December 31	
	2018	**2017**
Operating revenue	$ 1,080,444	$ 878,369
Net profit for the year	$ 1,668,840	$ 999,520
Other comprehensive income (loss)	2,007,257	(3,085,478)
Total comprehensive income (loss) for the year	$ 3,676,097	$ (2,085,958)
Dividends received from U-Ming	$ 398,041	$ 248,776

CSCGL:

	December 31, 2018
Current assets	$ 26,174,052
Non-current assets	90,319,977
Current liabilities	59,104,108
Non-current liabilities	14,557,750
Non-controlling interests	286,348
Equity attributable to CSCGL	42,545,823
Proportion of the Corporation's ownership	7.62%
Equity attributable to the Corporation	3,241,551
Goodwill	1,218,556
Carrying amount	$ 4,460,107

	For the Year Ended December 31, 2018
Operating revenue	$ 80,162,793
Net profit for the year	$ 9,856,967
Other comprehensive loss	(1,082,166)
Total comprehensive income for the year	$ 8,774,801

The Corporation and its subsidiaries' investments in CSCGL, which previously being recognized as financial assets at fair value through other comprehensive income, became qualified for the equity method of accounting and were therefore reclassified as investments accounted for using equity method in 2018. The Corporation reported provisional amounts of $2,789,230 for the goodwill arising from the above transition during the measurement period as the goodwill was included in the carrying amounts of the Corporation's investment in CSCGL. The Corporation will engage outside specialists to provide assistance in measuring the identifiable net assets of CSCGL and the measurement will be completed within one year from the transition date. The provisional amounts will be adjusted retrospectively during the subsequent measurement period to reflect new information obtained about facts and circumstances that existed as of the transition date that, if known, would have affected the amounts recognized as of that date.

3) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2018	2017
The Corporation's share of:		
Profit for the year	$ 211,771	$ 104,857
Other comprehensive income	184,884	511,063
Total comprehensive income for the year	$ 396,655	$ 615,920

4) The amounts of investments in associates pledged as collateral for bank borrowings are disclosed in Note 34.

All the subsidiaries and associates are accounted for using equity method.

The investments accounted for using equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2018 and 2017 were based on the subsidiaries' and associates' financial statements which have been audited for the same years.

Refer to Table 7 "Information on Investees" and Table 8 "Information on Investments in Mainland China" for the nature of activities, principal place of business and country of incorporation of the subsidiaries and associates.

16. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment	Other Equipment	Property Under Construction	Total
Cost						
Balance at January 1, 2017	$ 2,779,025	$ 4,209,601	$ 16,884,954	$ 6,097,869	$ 280,454	$ 30,251,903
Additions	-	796	77,883	63,030	56,289	197,998
Disposals	-	(8,228)	(102,417)	(2,354)	-	(112,999)
Transferred from completed construction	-	14,579	103,374	68,002	(185,955)	-
Transferred to investment properties	-	-	-	-	(32,662)	(32,662)
Balance at December 31, 2017	2,779,025	4,216,748	16,963,794	6,226,547	118,126	30,304,240
Accumulated depreciation and impairment						
Balance at January 1, 2017	-	3,539,380	16,375,441	5,194,983	-	25,109,804
Disposals	-	(8,188)	(102,416)	(2,316)	-	(112,920)
Depreciation expense	-	74,222	210,931	356,810	-	641,963
Balance at December 31, 2017	-	3,605,414	16,483,956	5,549,477	-	25,638,847
Carrying amounts at December 31, 2017	$ 2,779,025	$ 611,334	$ 479,838	$ 677,070	$ 118,126	$ 4,665,393
Cost						
Balance at January 1, 2018	$ 2,779,025	$ 4,216,748	$ 16,963,794	$ 6,226,547	$ 118,126	$ 30,304,240
Additions	63	1,085	12,439	71,357	88,499	173,443
Disposals	-	(418)	(177,648)	(618,597)	-	(796,663)
Transferred from completed construction	-	-	3,049	73,225	(76,274)	-
Reclassified	-	-	(21,506)	21,506	-	-
Transferred to other assets	-	-	-	(15,622)	-	(15,622)
Balance at December 31, 2018	2,779,088	4,217,415	16,780,128	5,758,416	130,351	29,665,398
Accumulated depreciation and impairment						
Balance at January 1, 2018	-	3,605,414	16,483,956	5,549,477	-	25,638,847
Disposals	-	(418)	(177,648)	(618,592)	-	(796,658)
Depreciation expense	-	57,696	150,407	256,678	-	464,781
Transferred to other assets	-	-	-	(15,622)	-	(15,622)
Balance at December 31, 2018	-	3,662,692	16,456,715	5,171,941	-	25,291,348
Carrying amounts at December 31, 2018	$ 2,779,088	$ 554,723	$ 323,413	$ 586,475	$ 130,351	$ 4,374,050

No impairment assessment was performed for the years ended December 31, 2018 and 2017 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 into 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 34 for the carrying amount of property, plant and equipment pledged by the Corporation as collaterals for borrowings.

17. INVESTMENT PROPERTIES

	December 31	
	2018	2017
Leased investment properties	$ 35,525,301	$ 35,822,102
Undeveloped investment properties	6,164,393	6,197,535
	$ 41,689,694	$ 42,019,637

The movements of investment property were as follows:

	Leased Investment Property	Undeveloped Investment Property	Total
Balance at January 1, 2017	$ 36,131,162	$ 5,426,460	$ 41,557,622
Changes in fair value of investment properties	(390,689)	771,075	380,386
Additions	48,967	-	48,967
Transferred from property, plant and equipment	32,662	-	32,662
Balance at December 31, 2017	$ 35,822,102	$ 6,197,535	$ 42,019,637
Balance at January 1, 2018	$ 35,822,102	$ 6,197,535	$ 42,019,637
Changes in fair value of investment properties	(298,069)	(33,142)	(331,211)
Additions	1,269	-	1,269
Disposals	(1)	-	(1)
Balance at December 31, 2018	$ 35,525,301	$ 6,164,393	$ 41,689,694

The investment properties for lease were as follows:

a. On January 1, 1998, 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. As consideration for the right to construct and the continued use of the land for fifty years, FEDSDL shall pay the following: (a) land use right in the amount of $1,073,000 thousand and (b) annual rental at 5% of the reference price of such land announced by the local government. The proceeds of the land use rights were recorded as long-term deferred revenue, and recognized as rental revenue on a periodic basis.

b. The Corporation and Far Eastern Resources Development Co. (FERD) equally owned a parcel of land located at Tun Hwa South Road, Taipei City. Under an agreement entered into with YDC, the Corporation and FERD had agreed on the following: (a) construction of a twin tower building (Taipei Metro) by YDC 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 the remaining usable area of the building after the end of 30 years in exchange for the carrying amount 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 long-term deferred revenue, and recognized as revenue on a periodic basis.

c. Others mainly included the following:

   1) Land in Shu-Lin - leased to YLPPC;

   2) Land in Taichung Quan-Lien Industrial Zone - leased to NHC;

3) Land and buildings in Lin-Ko, Taichung and Hsi-Chih - leased to YTRMC;

4) Asia-Cement Building - leased to FEDS;

5) Pao-Ching Building - leased to Sofiva Genomics;

6) Land and building in Chayi City

7) Land and building in Hwalien - leased to YLT;

The lease terms of the above are 1-10 years and the rents are paid monthly.

The Corporation's undeveloped investment properties included a parcel of land located in Lin-Ya, Kaohsiung.

The fair values of investment properties were valued by independent qualified professional appraisers. According to local requirements, entities are required to have independent appraisal for the investment properties with individual carrying amount of $300 million or higher. The fair values of investment properties as of December 31, 2018 and 2017 were determined by qualified professional appraisers, Mr. Tsai, real estate appraiser from DTZ real estate appraisers firm, and Mr. Chang, from Savills (Taiwan) Limited, on March 4, 2019 and February 21, 2018, respectively. The fair values of investment properties leased to subsidiary were determined by Mr. Huang, a qualified real estate professional 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:

	Leased Investment Property	Undeveloped Investment Property	Total
Balance at January 1, 2017	$ 36,131,162	$ 5,426,460	$ 41,557,622
Recognized in profit or loss (gain or loss from changes in fair value of investment property)	(390,689)	771,075	380,386
Purchases	48,967	-	48,967
Transfers into Level 3	32,662	-	32,662
Balance at December 31, 2017	$ 35,822,102	$ 6,197,535	$ 42,019,637
Balance at January 1, 2018	$ 35,822,102	$ 6,197,535	$ 42,019,637
Recognized in profit or loss (gain or loss from changes in fair value of investment property)	(298,069)	(33,142)	(331,211)
Purchases	1,269	-	1,269
Disposals	(1)	-	(1)
Balance at December 31, 2018	$ 35,525,301	$ 6,164,393	$ 41,689,694

The fair value measurement of undeveloped land located in Lin-Ya, Kaohsiung, was measured by land development analysis. The increase in estimated total selling price, the increase in rate of return, or the decrease in overall capital interest rate would result in an increase in the fair value. The significant assumptions used were as follows:

	December 31	
	2018	**2017**
Estimated total selling price	$ 18,991,547	$ 19,052,686
Rate of return	22%	22%
Overall capital interest rate	6.08%	6.81%

The total selling price is estimated on the basis of the most effective use of the land or property available for sale after development is completed, taking into account the related regulations, domestic macroeconomic prospects, local land use, and market rates.

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	
	2018	**2017**
Expected future cash inflows	$ 44,926,855	$ 45,610,364
Expected future cash outflows	1,986,947	2,060,352
Expected future cash inflows, net	$ 42,939,908	$ 43,550,012
Discount rate	2.07%-4.50%	2.09%-4.50%

The market rentals 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, 2018 and 2017 was $356,365 thousand and $355,460 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 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 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, 2018 and 2017, the risk premiums were 0.23%-2.66% and 0.25%-2.66%, respectively.

Refer to Note 34 for the carrying amount of investment properties pledged by the Corporation as collaterals for borrowings.

18. INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2017	$ 157,512
Additions	2,099
Balance at December 31, 2017	159,611
Accumulated amortization and impairment	
Balance at January 1, 2017	147,225
Amortization expense	3,438
Balance at December 31, 2017	150,663
Carrying amounts at December 31, 2017	$ 8,948
Cost	
Balance at January 1, 2018	$ 159,611
Additions	2,693
Balance at December 31, 2018	162,304
Accumulated amortization and impairment	
Balance at January 1, 2018	150,663
Amortization expense	3,297
Balance at December 31, 2018	153,960
Carrying amounts at December 31, 2018	$ 8,344

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 2 to 5 years.

19. PREPAYMENTS FOR LEASES

	December 31	
	2018	2017
Current asset (included in prepayments line item)	$ 35,331	$ 26,573
Non-current asset	369,801	259,142
	$ 405,132	$ 285,715

20. OTHER ASSETS-NON-CURRENT

	December 31	
	2018	2017
Prepaid investments	$ 1,911,179	$ 1,911,179
Net defined benefit assets (Note 24)	1,886,734	1,516,621
Refundable deposits	1,394,853	1,380,357
Others	129	129
	$ 5,192,895	$ 4,808,286

On March 23, 2017, the Corporation acquired 155 thousand issued shares of China Shanshui Investment Company Limited (CSI) in the amount of HK$577,662 thousand from six shareholders of CSI under a share purchase agreement. The Corporation has already obtained the physical share certificates of the acquired CSI shares. Pursuant to the Articles of Association of CSI, the share ownership can only be recorded on the register of shareholders if the board of directors of CSI approves the shares transfer. As of December 31, 2018, the Corporation submitted all necessary documents to CSI for registration of the shares transfer.

CSCGL and its subsidiaries obtained from the High Court of Hong Kong an injunction order by way of an ex-parte application on April 11, 2017. Pursuant to the injunction order, Mi Jingtian, Zhao Liping, Li Maohuan and Yu Yuchuan are prohibited from removing any of their assets in Hong Kong, each of their assets' value is up to RMB142 million (or its Hong Kong dollar equivalent), in particular their shares in CSI and/or any proceeds from sales of any such CSI shares.

The Corporation is neither a plaintiff nor a defendant in the aforesaid proceedings. But, for the purpose of securing and exercising the rights and interests of the acquired shares of CSI, the Corporation provided a bank guarantee of RMB142 million to the High Court of Hong Kong according to the High Court's ruling on April 21, 2017. On the same day, the High Court of Hong Kong lifted the injunction order on the shares of CSI acquired by the Corporation.

Chan Hongqing claimed that the CSI shares which the Corporation acquired from the abovementioned four persons were pledged as collaterals under an agreement signed on August 17, 2015 and thus applied for arbitration of China International Economic and Trade Arbitration Commission in Beijing.

21. SHORT-TERM BILLS PAYABLE

	December 31	
	2018	2017
Commercial paper	$ 11,440,000	$ 9,130,000
Less: Unamortized discounts on bills payable	2,896	1,595
	$ 11,437,104	$ 9,128,405
Interest rate (%)	0.36%-0.80%	0.45%-0.54%

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

22. LONG-TERM LIABILITIES

	December 31	
	2018	2017
Bank loans	$ 10,033,000	$ 13,588,000
Long-term commercial paper	5,000,000	5,000,000
Less: Unamortized discount	7,989	13,917
	15,025,011	18,574,083
Bonds		
Domestic bonds		
1st unsecured bonds issued in 2014	4,000,000	8,000,000
1st unsecured bonds issued in 2016	6,000,000	6,000,000
	10,000,000	14,000,000
Overseas bonds		
2nd Euro convertible bonds issued in 2013 - US$220,000 thousand	-	88,612
3rd Euro convertible bonds issued in 2018 - US$215,000 thousand	6,192,567	-
	31,217,578	32,662,695
Less: Current portion	4,000,000	4,088,612
	$ 27,217,578	$ 28,574,083

a. Bank loans are repayable in installments at varying amounts or in one lump-sum payment prior to January 22, 2022. The Corporation has signed long-term revolving credit facilities with banks. As of December 31, 2018 and 2017, interest rates were 0.89% to 1.70% and 0.85% to 1.75%, respectively.

b. Long-term commercial paper was issued by contract. As of December 31, 2018 and 2017, interest rates were 0.83% to 0.84% and 0.83%, respectively. The maturity date of the contract is December 19, 2020.

c. Domestic bonds are repayable in installments at varying amounts or in one lump-sum on maturity prior to September 2021. As of December 31, 2018 and 2017, both interest rates were 0.80% to 1.36%.

d. In order to redeem bonds to save 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 terms of the zero coupon Euro convertible bonds included the following:

   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 ordinary 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 in whole or in part of the bonds held by such holder on May 13, 2016 at a redemption price equal to 100% of the principal amount thereof. (Refer to item 6 below for information on the redemption of bonds.)

5) The conversion price shall be subject to adjustment when there is occurrence of, including (but not limited to), the following:

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.

6) As bondholders exercised the put option, the Corporation had redeemed the principal amount of US$217,000 thousand on May 11, 2016. After the redemption, the bonds outstanding in the amount of US$3,000 thousand had been paid on May 10, 2018.

e. In order to repay debt, save interest expenses, and strengthen the Corporation's financial structure, on September 21, 2018, the Corporation issued 3rd US$215,000 thousand (equivalent to NT$6,620,710 thousand) zero coupon Euro convertible bonds due 2023.

The terms of the zero coupon Euro convertible bonds included the following:

1) Final redemption

Unless previously redeemed, repurchased and canceled, or converted, the Bonds will be redeemed on the maturity date at the settlement equivalent of 103.04% of the unpaid principal amount thereof.

2) The bonds are convertible into the Corporation's common shares ("Shares") at any time on or after December 21, 2018 and prior to the close of business on August 22, 2023. The initial conversion price was NT$42.24 per Share, determined on the basis of a fixed exchange rate of NT$30.794=US$1.00.

3) Redemption at the option of the Corporation

At any time on or after September 21, 2021, 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 the 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$30.794=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 in whole or in part of the bonds held by such holder on September 21, 2021 at a redemption price equal to the settlement equivalent of 101.81% of the principal amount in U.S. dollars. Any U.S. dollar denominated amount payable in respect of the bonds will be converted into NT dollars using a fixed exchange rate and then converted back to a U.S. dollar amount using the applicable prevailing rate at the time of redemption.

5) The conversion price shall be subject to adjustment when there is occurrence of, including (but not limited to), the following:

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$42.24 as of December 31, 2018.

23. DEFERRED REVENUE

	December 31	
	2018	2017
Land use right	$ 858,838	$ 926,923
Others	140,879	-
	$ 999,717	$ 926,923
Current	$ 75,912	$ 68,085
Non-current	$ 923,805	$ 858,838

a. The deferred revenue on land use rights in Lin-Ya, Kaohsiung granted to FEDSDL (Note 17) is amortized to income over 50 years on a straight-line basis.

b. The deferred revenue on land use rights of Taipei Metro granted to YDC (Note 17) is amortized to income over 30 years on a straight-line basis.

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at specified percentage 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	
	2018	**2017**
Present value of defined benefit obligation	$ 804,119	$ 1,006,401
Fair value of plan assets	(2,690,853)	(2,523,022)
Surplus	(1,886,734)	(1,516,621)
Net defined benefit asset	$ (1,886,734)	$ (1,516,621)

Movements in net defined benefit assets 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, 2017	$ 1,066,363	$ (2,383,858)	$ (1,317,495)
Service cost			
Current service cost	9,937	-	9,937
Net interest expense (income)	13,863	(30,990)	(17,127)
Recognized in profit or loss	23,800	(30,990)	(7,190)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(196,585)	(196,585)
Actuarial loss - changes in financial assumptions	8,968	-	8,968
Actuarial loss - experience adjustments	9,265	-	9,265
Recognized in other comprehensive income	18,233	(196,585)	(178,352)
Benefits paid	(101,995)	88,411	(13,584)
Balance at December 31, 2017	$ 1,006,401	$ (2,523,022)	$ (1,516,621)
Balance at January 1, 2018	$ 1,006,401	$ (2,523,022)	$ (1,516,621)
Service cost			
Current service cost	9,207	-	9,207
Net interest expense (income)	12,077	(30,276)	(18,199)
Recognized in profit or loss	21,284	(30,276)	(8,992)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(293,637)	(293,637)
Actuarial loss - changes in financial assumptions	6,943	-	6,943
Actuarial loss - experience adjustments	(45,762)	-	(45,762)
Recognized in other comprehensive income	(38,819)	(293,637)	(332,456)
Benefits paid	(184,747)	156,082	(28,665)
Balance at December 31, 2018	$ 804,119	$ (2,690,853)	$ (1,886,734)

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	
	2018	**2017**
Discount rate(s)	1.10%	1.20%
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	
	2018	**2017**
Discount rate(s)		
0.25% increase	$ (17,187)	$ (22,189)
0.25% decrease	$ 17,768	$ 22,972
Expected rate(s) of salary increase		
1% increase	$ 73,337	$ 95,117
1% decrease	$ (65,545)	$ (84,537)

The major categories of plan assets at the end of the reporting period are disclosed based on the information announced by the Bureau:

	December 31	
	2018	**2017**
Equity instruments	88.73	86.05
Deposited in financial institutions	5.85	6.82
Others	5.42	7.13
	100.00	100.00

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	
	2018	2017
The expected contributions to the plan for the next year	$ -	$ -
The average duration of the defined benefit obligation	10 years	10 years

25. EQUITY

a. Share capital

	December 31	
	2018	2017
Number of shares authorized (in thousands)	4,000,000	4,000,000
Shares authorized	$ 40,000,000	$ 40,000,000
Number of shares issued and fully paid (in thousands)	3,361,447	3,361,447
Shares issued	$ 33,614,472	$ 33,614,472

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

The total of 350,000 thousand and 10,000 thousand shares of the Corporation's authorized shares are reserved for the issuance of convertible bonds and employee share option, respectively.

b. Capital surplus

	December 31	
	2018	2017
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (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 subsidiaries and associates accounted for using equity method (2)	992,530	992,530
	1,089,227	1,089,227
May be used to offset a deficit only		
Change of capital surplus of subsidiaries and associates accounted for using equity method (3)	38,085	38,215
May not be used for any purpose		
Share warrants	185,411	-
Change of capital surplus of subsidiaries and associates accounted for using equity method	49,831	41,250
	235,242	41,250
	$ 1,362,554	$ 1,168,692

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 to once a year).

2) Such capital surplus from the effect of changes in associate's ownership interest in its subsidiary that resulted from actual acquisition and disposal of equity may be used to offset a deficit or distributed as cash dividends or share dividends under Article 241-1 of Company Act.

3) Such capital surplus from the effect of changes in associate's ownership interest in its 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. Retained earnings and dividends policy

Under the Corporation's dividends policy, where the Corporation has a profit at the end of a fiscal year, the Corporation shall first pay business income taxes based on law and then offset losses of previous years, and if there is any remaining profit, 10% of the balance shall be appropriated as legal reserve. In addition, appropriation for special reserve shall be made based on provisions of law. Any remaining amount of profit together with the accumulated undistributed earnings of the previous year shall be allocated for distribution to shareholders. However, depending on the condition of the business, part of the profit may be retained. In case of an increase in the capital of the Corporation, the shareholders' bonus for the new shares in the year of issue shall be decided in the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration of directors and supervisors, refer to employees' compensation and remuneration of directors and supervisors in Note 27(f).

The distribution of shareholders' dividend shall take into consideration the changes in the outlook of the Corporation's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Shareholders' dividend shall be distributed with the aim of maintaining stable shareholders' dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing shareholders' dividend, the dividend payout ratio each fiscal year shall be no less than 50% of the final surplus which is the sum of after-tax profit of the fiscal year to withhold previous loss, if any, legal reserve and special reserve as required by law; the cash dividend shall not be less than 10% of the total shareholders' dividend distributed in the same year.

These appropriations shall be resolved by the shareholders in the following year and given effect to in the financial statements of that year.

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

The Corporation is required to appropriate to or reverse from special reserve amounts that pertains to items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs".

Under the Integrated Income Tax System, ROC-resident shareholders are allowed tax credit for the income tax paid by the Corporation on earnings generated in 1998 onward. Tax credits allocated to shareholders are based on the balance of Imputation Credit Account (ICA) on the dividend distribution date. However, the income tax law was amended and the imputation tax system was abolished in 2018.

The appropriation of earnings and dividends per share for 2017 and 2016 approved in the shareholders' meetings on June 26, 2018 and June 27, 2017, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividend Per Share (Dollars) For the Year Ended December 31	
	2017	2016	2017	2016
Legal reserve	$ 546,900	$ 394,577		
Special reserve	943,188	881,019		
Cash dividends	4,033,736	3,025,302	$1.2	$0.9

The appropriation of earnings for 2017 had been proposed by the Corporation's board of directors on March 21, 2018. The proposed appropriation of earnings and dividend per share were as follows:

	Appropriation of Earnings	Dividend Per Share (Dollars)
Legal reserve	$ 1,111,709	
Special reserve	518,281	
Cash dividends	9,412,052	$2.8

Assuming that the shares reciprocally held by associates were not treated as treasury stock and not deducted from weighted average number of shares outstanding, the basic EPS would be NT$3.31 for the year ended December 31, 2018.

The appropriations of earnings for 2018 are subject to the resolution of the shareholders' meeting to be held on June 24, 2019.

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 the amounts to special reserve.

In addition, on the initial application of the fair value model to investment properties, the Corporation appropriated to special reserve the amount of the net increase in fair value of investment properties and transferred it to retained earnings. Additional special reserve should be appropriated for subsequent net increases in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decrease or on the disposal of investment properties.

The Corporation and its associates used and disposed of some of the related assets; accordingly, special reserve reversed to unappropriated earnings amounted to $548,152 thousand as of December 31, 2018.

e. Other equity items

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

	For the Year Ended December 31	
	2018	**2017**
Balance at January 1	$ (2,638,153)	$ (44,313)
Share of exchange difference of subsidiaries and associates accounted for using equity method	(3,211)	(2,593,840)
Balance at December 31	$ (2,641,364)	$ (2,638,153)

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

	For the Year Ended December 31, 2018
Balance at January 1 per IAS 39	$ -
Adjustment on initial application of IFRS 9	516,962
Balance at January 1 per IFRS 9	516,962
Unrealized gain of equity instruments	158,517
Related income tax	(158,526)
Share from subsidiaries and associates accounted for using equity method	
Equity instruments	1,340,746
Debt instruments	2,520
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	3,408,697
Balance at December 31	$ 5,268,916

3) Unrealized gain (loss) on available-for-sale financial assets

	For the Year Ended December 31, 2017
Balance at January 1	$ (4,023,554)
Unrealized gain arising on revaluation of available-for-sale financial assets	1,943,095
Related income tax	(197,882)
Share of unrealized gain on revaluation of available-for-sale financial assets of subsidiaries and associates accounted for using equity method	3,006,408
Balance at December 31	$ 728,067

4) Cash flow hedges

	For the Year Ended December 31	
	2018	2017
Balance at January 1	$ 58,485	$ 41,450
Share of cash flow hedging reserve of subsidiaries and associates accounted for using equity method	2,449	17,035
Balance at December 31	$ 60,934	$ 58,485

5) Gains on property revaluation: There has been no change to gains on property revaluation between the year of 2018 and 2017.

26. OPERATING REVENUE AND COSTS

	For the Year Ended December 31	
	2018	2017
Operating revenues		
Sales of goods	$ 8,368,027	$ 7,827,368
Rental revenue	364,209	359,499
Total operating revenue, net	8,732,236	8,186,867
Operating costs		
Cost of goods sold	8,309,912	7,349,168
Rental cost	169,234	175,953
Total operating cost	8,479,146	7,525,121
Gross profit	$ 253,090	$ 661,746

Contract balances: As of December 31, 2018, the Corporation's contract liabilities in the amount of NT$40,661 thousand were customers' deposits and advances.

27. NET PROFIT

Net profit was as follows:

a. Other income

	For the Year Ended December 31	
	2018	2017
Dividends	$ 405,773	$ 297,566
Interest income	114,003	57,841
Others	72,669	83,611
	$ 592,445	$ 439,018

b. Other gains and losses

	For the Year Ended December 31	
	2018	2017
(Loss) gain on changes in fair value of investment properties	$ (331,211)	$ 380,386
Net gain on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	171,737	10,900
Bank charges	(61,313)	(53,550)
Net foreign exchange gains (losses)	36,987	(251,699)
Gain (loss) on disposal of property, plant and equipment	4,053	(79)
Gain on disposal of investments	-	34,961
Miscellaneous expenses	(462,053)	(206,881)
	$ (641,800)	$ (85,962)

c. Finance costs

	For the Year Ended December 31	
	2018	2017
Interest on bank loans	$ 332,211	$ 331,914
Other interest expense	-	-
Less: Amounts included in the cost of qualifying assets (capitalized interest)	(227)	(362)
	$ 331,984	$ 331,552

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2018	2017
Capitalized interest	$ 227	$ 362
Capitalization rate	0.726%-1.139%	0.787%-1.080%

d. Depreciation and amortization

	For the Year Ended December 31	
	2018	2017
An analysis of depreciation by function		
Operating costs	$ 462,524	$ 638,815
Operating expenses	1,783	2,057
Non-operating expenses	474	1,091
	$ 464,781	$ 641,963
An analysis of amortization by function		
Operating expenses	$ 3,297	$ 3,438

e. Employee benefits expense

	For the Year Ended December 31, 2018			
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Post-employment benefits (Note 24)				
Defined contribution plans	$ 10,268	$ 4,450	$ 80	$ 14,798
Defined benefit plans	(5,211)	(3,781)	-	(8,992)
Short-term benefits				
Salary	479,469	136,318	3,200	618,987
Remuneration of directors	-	225,074	-	225,074
Labor and health insurance	31,453	11,001	153	42,607
Other employees-related expenses	28,649	10,907	70	39,626
Total employee benefits expense	$ 544,628	$ 383,969	$ 3,503	$ 932,100

	For the Year Ended December 31, 2017			
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Post-employment benefits (Note 24)				
Defined contribution plans	$ 11,096	$ 3,933	$ 94	$ 15,123
Defined benefit plans	(4,732)	(2,458)	-	(7,190)
Short-term benefits				
Salary	395,916	160,203	9,404	565,523
Remuneration of directors	-	115,142	-	115,142
Labor and health insurance	35,855	11,471	144	47,470
Other employees-related expenses	32,810	11,605	72	44,487
Total employee benefits expense	$ 470,945	$ 299,896	$ 9,714	$ 780,555

As of December 31, 2018 and 2017, the Corporation had 496 and 571 employees, respectively. There were 12 non-employee directors for both years.

f. Employees' compensation and remuneration of directors and supervisors

The Corporation accrued employees' compensation and remuneration of directors and supervisors at the rates between 2% and 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2018 and 2017 which have been approved by the Corporation's board of directors on March 21, 2018 and March 23, 2017, respectively, were as follows:

	For the Year Ended December 31			
	2018		2017	
	Cash	Share	Cash	Share
Employees' compensation	$ 253,436	$ -	$ 147,850	$ -
Remuneration of directors and supervisors	223,658	-	130,120	-

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

There is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the financial statements for the years ended December 31, 2017 and 2016.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Corporation's board of directors in 2019 and 2018 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

28. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax (income) expense recognized in profit or loss

	For the Year Ended December 31	
	2018	2017
Current tax		
Income tax on unappropriated earnings	$ 19,711	$ -
Adjustments for prior years	(9)	(3,879)
	19,702	(3,879)
Deferred tax		
In respect of the current year	1,022,598	(63,749)
Adjustments to deferred tax attributable to changes in tax rates and laws	35,338	-
	1,057,936	(63,749)
Income tax expense recognized in profit or loss	$ 1,077,638	$ (67,628)

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2018	2017
Profit before tax from continuing operations	$ 12,194,732	$ 5,401,379
Income tax expense calculated at the statutory rate (the tax rate of the year 2018 and 2017 are 20% and 17%, respectively)	$ 2,438,946	$ 918,234
Nondeductible expenses in determining taxable income	44,394	2,144
Tax-exempt income	(1,114,646)	(692,418)
Unrecognized deductible temporary differences	(301,182)	36,662
Tax on changes in fair value of investment properties	(32,651)	(418,733)
Unrecognized loss carryforwards	23,075	90,362
Income tax on unappropriated earnings	19,711	-
Adjustments for prior years' tax	(9)	(3,879)
Income tax expense (income) recognized in profit or loss	$ 1,077,638	$ (67,628)

In 2017, the applicable corporate income tax rate used by the corporate in the ROC is 17%. However, the Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%, effective in 2018. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings will be reduced from 10% to 5%.

As the status of 2019 appropriation of earnings is uncertain, the potential income tax consequences of the 2018 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2018	2017
Deferred tax		
In respect of the current year:		
Fair value changes of financial assets at FVTOCI	$ (158,526)	$ -
Fair value changes of available-for-sale financial assets	-	(197,882)
Remeasurement on defined benefit plans	(66,491)	(30,320)
Total income tax recognized in other comprehensive income	$ (225,017)	$ (228,202)

c. Current tax assets and liabilities

	December 31	
	2018	2017
Current tax assets		
Tax refund receivable	$ 9,022	$ 5,664
Current tax liabilities		
Income tax payable	$ 8,477	$ -

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, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
FVTOCI financial assets	$ 158,526	$ -	$ (158,526)	$ -
FVTPL financial assets and liabilities	-	8,944	-	8,944
Property, plant and equipment	10,460	(6,801)	-	3,659
	$ 168,986	$ 2,143	$ (158,526)	$ 12,603
Deferred tax liabilities				
Temporary differences				
Investment properties	$ 3,630,935	$ (32,651)	$ -	$ 3,598,284
Land value increment tax	3,427,438	-	-	3,427,438
Unappropriated earnings of subsidiaries	563,866	1,046,395	-	1,610,261
Defined benefit obligation	244,549	26,596	66,491	337,636
Property, plant and equipment	21,746	11,130	-	32,876
Other financial assets and liabilities	4,670	6,701	-	11,371
Allowance for impaired receivables	84	212	-	296
Others	772	1,696	-	2,468
	$ 7,894,060	$ 1,060,079	$ 66,491	$ 9,020,630

For the year ended December 31, 2017

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
AFS financial assets	$ 356,408	$ -	$ (197,882)	$ 158,526
Property, plant and equipment	10,833	(373)	-	10,460
Others	923	(923)	-	-
	$ 368,164	$ (1,296)	$ (197,882)	$ 168,986
Deferred tax liabilities				
Temporary differences				
Investment properties	$ 4,049,668	$ (418,733)	$ -	$ 3,630,935
Land value increment tax	3,427,438	-	-	3,427,438
Unappropriated earnings of subsidiaries	198,244	365,622	-	563,866
Defined benefit obligation	210,698	3,531	30,320	244,549
Property, plant and equipment	17,370	4,376	-	21,746
Other financial assets and liabilities	17,328	(12,658)	-	4,670
Allowance for impaired receivables	-	84	-	84
Others	8,039	(7,267)	-	772
	$ 7,928,785	$ (65,045)	$ 30,320	$ 7,894,060

e. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2018 and 2017, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were $5,104,939 thousand and $4,477,570 thousand, respectively.

f. The tax returns through 2016, except 2013, have been assessed by the tax authorities. The Corporation disagreed with the tax authorities' assessment of its 2013 tax return and applied for a re-examination.

29. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2018	2017
Basic earnings per share	$ 3.54	$ 1.74
Diluted earnings per share	$ 3.49	$ 1.74

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

Net Profit for the Year

	For the Year Ended December 31	
	2018	**2017**
Profit for the period attributable to owners of the Corporation	$ 11,117,094	$ 5,469,007
Effect of potentially dilutive ordinary shares:		
Convertible bonds	26,638	1,377
Earnings used in the computation of diluted earnings per share	$ 11,143,732	$ 5,470,384

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Year Ended December 31	
	2018	**2017**
Weighted average number of ordinary shares in computation of basic earnings per share	3,139,152	3,139,297
Effect of potentially dilutive ordinary shares:		
Employees' compensation	8,585	5,937
Convertible bonds	44,656	2,420
Weighted average number of ordinary shares used in the computation of diluted earnings per share	3,192,393	3,147,654

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 that may be settled in shares or cash at the entity's option, the entity shall presume that the employee compensation 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 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.

30. 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.

31. FINANCIAL INSTRUMENTS

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

December 31, 2018

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
Bonds payable (included current portion)	$ 16,192,567	$ 16,719,158	$ -	$ -	$ 16,719,158

December 31, 2017

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
Bonds payable (included current portion)	$ 14,088,612	$ 14,096,452	$ -	$ -	$ 14,096,452

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

1) Fair value hierarchy

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Overseas listed stocks	$ 1,037,426	$ -	$ -	$ 1,037,426
Beneficiary certificates	135,400	-	-	135,400
	$ 1,172,826	$ -	$ -	$ 1,172,826
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed stocks	$ 7,183,796	$ -	$ -	$ 7,183,796
Domestic unlisted stocks	-	-	573,372	573,372
	$ 7,183,796	$ -	$ 573,372	$ 7,757,168

(Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Cross-currency swap contracts	$ -	$ -	$ 44,717	$ 44,717
Bond options	-	-	223,501	223,501
	$	$ -	$ 268,218	$ 268,218

(Concluded)

December 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Beneficiary certificates	$ 171,500	$ -	$ -	$ 171,500
Available-for-sale financial assets				
Domestic listed stocks	$ 7,436,736	$ -	$ -	$ 7,436,736
Overseas listed stocks	782,286	-	3,888,505	4,670,791
	$ 8,219,022	$ -	$ 3,888,505	$ 12,107,527

There were no transfers between Levels 1 and 2 for the years ended December 31, 2018 and 2017.

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

For the year ended December 31, 2018

	Financial Liabilities at FVTPL	Financial Assets at FVTOCI
	Derivatives	Equity Instruments
Balance at January 1 per IAS 39	$ -	$ 3,888,505
Adjustment on initial application of IFRS 9	-	548,116
Balance at January 1 per IFRS 9	-	4,436,621
Recognized in profit or loss		
Net gain (loss) on financial liabilities at FVTPL	47,303	-
Recognized in other comprehensive income		
Unrealized gain (loss) on financial assets at FVTOCI	-	411,456
Purchases	220,915	-
Transfers out of Level 3	-	(4,274,705)
Balance at December 31, 2018	$ 268,218	$ 573,372

For the year ended December 31, 2017

	Available-for-sale Equity Instruments
Balance at January 1, 2017	$ 1,825,382
Recognized in other comprehensive income (loss)	1,164,014
Purchases	899,109
Balance at December 31, 2017	$ 3,888,505

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

a) The fair values of convertible bond options are determined using the information available from the counterparty for valuation 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 valuation. 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 reflect the credit risk of various counterparties.

c) The fair value of equity securities suspended for trading and therefore without quoted price was 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 is measured by weighted average multiple value of (i) EV/sales, (ii) EV/EBITDA, and (iii) P/B of other comparable listed companies. In market value approach, the fair value is estimated based on the average closing price before security suspension. Liquidity risk parameters need to be taken into account when using these approaches. Due to the long period of security trading suspension, the market value approach had become irrelevant. Therefore, the fair value was determined only by using the weighted average of values calculated under market-based approach as of December 31, 2017.

i. EV/Sales: Enterprise value ÷ Sales.

ii. EV/EBITDA: Enterprise value ÷ Earnings before interest, taxes, depreciation and amortization.

iii. P/B: Price ÷ Book value.

d) The fair values of unlisted stocks are determined by using the asset approach or the market approach. In the asset approach, the fair values are estimated by using the net asset value measured at fair value based on the unlisted investees' latest financial statements, while taking into account the liquidity discount and non-controlling interest discount. In the market approach, the fair values are estimated based on the market transaction prices of comparable companies with similar industrial and business characteristics and liquidity discount are considered.

c. Categories of financial instruments

	December 31	
	2018	**2017**
Financial assets		
Fair value through profit or loss (FVTPL)	$ 1,172,826	$ 171,500
Loans and receivables (1)	-	4,312,247
Available-for-sale financial assets (2)	-	12,236,320
Financial assets at amortized cost (3)	4,747,829	-
Financial assets at FVTOCI	7,757,168	-
Financial liabilities		
Financial liabilities at FVTPL	268,218	-
Financial liabilities at amortized cost (4)	44,258,001	43,305,878

1) The balances include 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 include the carrying amount of available-for-sale financial assets measured at cost.

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

4) The balances include financial liabilities at amortized cost, which comprise short-term bills payable, trade and other payables, bonds issued and long-term loans.

d. Financial risk management objectives and policies

The Corporation's major financial instruments include equity and debt investments, trade receivables, 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 foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporation mitigates the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Corporation's policies approved by the board of directors, which provides written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the 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 expose it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Corporation enters into cross-currency swap contracts to mitigate its exposure to foreign currency risk and interest risk.

a) Foreign currency risk

The Corporation have foreign currency sales and purchases and foreign currency financing activities, which expose 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 36.

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 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. The analysis assumed 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 weakened by 5% against the relevant currency. For a 5% strengthening 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	
	2018	2017	2018	2017
Increase (decrease) in pre-tax profit	$ 42,224	$ 27,497	$ 161,809	$ 169,681

b) Interest rate risk

The Corporation is exposed to interest rate risk because the Corporation borrows funds at both fixed and floating interest rates. The risk is managed by the Corporation by maintaining an appropriate mix of fixed and floating rate borrowings and using cross-currency swap contracts.

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

	December 31	
	2018	2017
Fair value interest rate risk		
Financial assets	$ 2,793,778	$ 2,977,354
Financial liabilities	32,621,682	28,203,100
Cash flow interest rate risk		
Financial assets	1,536,461	1,100,917
Financial liabilities	10,033,000	13,588,000

Sensitivity analysis

The sensitivity analysis below is based on the Corporation's exposure to changes in interest rates of 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 Corporation's pre-tax profit for the years ended December 31, 2018 and 2017 would have decreased/increased by $1,049 thousand and $922 thousand, respectively, mainly due to the Corporation's exposure to changes in interest rates of its variable-rate bank borrowings and bank deposits.

c) Other price risk

The Corporation is exposed to price risk through its investments in listed equity securities and beneficiary certificates of funds.

Sensitivity analysis

The sensitivity analysis below is 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 year ended December 31, 2018 would have increased/decreased by $11,728 thousand as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the year ended December 31, 2018 would have increased/decreased by $71,838 thousand as a result of the changes in fair value of financial assets at FVTOCI.

If investment position prices had been 1% higher/lower, pre-tax profit for the year ended December 31, 2017 would have increased/decreased by $1,715 thousand as a result of the changes in fair value of held-for-trading investments, and the pre-tax other comprehensive income for the year ended December 31, 2017 would have increased/decreased by $82,190 thousand 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 would cause a financial loss to the Corporation due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Corporation is equal to the carrying amount of the 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 a large number of clients in different industries and regions. The Corporation evaluates clients' financial condition continuously.

Credit risk represents the potential negative impact on the financial assets of the Corporation if counterparties or third parties breach the contracts. The Corporation evaluates credit risk exposure on 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.

a) Liquidity and interest rate tables for non-derivative financial liabilities

The following tables detail 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, 2018

	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	-	$ 396,962	$ 568,442	$ 585,020	$ 52,895	$ -
Variable interest rate liabilities	1.47	-	-	-	10,033,000	-
Fixed interest rate liabilities	0.70	11,437,104	-	4,000,000	17,184,578	-
Financial guarantee contracts	-	-	-	23,249,487	-	-
		$ 11,834,066	$ 568,442	$ 27,834,507	$ 27,270,473	$ -

December 31, 2017

	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	-	$ 350,200	$ 699,898	$ 350,934	$ 113,746	$ -
Variable interest rate liabilities	1.36	-	-	-	13,588,000	-
Fixed interest rate liabilities	0.87	9,128,405	-	4,088,612	14,986,083	-
Financial guarantee contracts	-	-	-	22,632,412	-	-
		$ 9,478,605	$ 699,898	$ 27,071,958	$ 28,687,829	$ -

The amounts above of variable interest rate non-derivative financial assets and liabilities are subject to change if actual variable interest rates differ from those estimates of interest rates at the end of the reporting period.

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Corporation's liquidity analysis of its derivative financial instruments. The table is 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, 2018

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Cross-currency swap contracts	$ -	$ (39,911)	$ (139,437)	$ (322,827)	$ -

e. Transfers of financial assets. None.

f. Offsetting financial assets and financial liabilities. None.

g. Reclassifications. None.

32. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Corporation and other related parties are disclosed below.

Transactions with related parties are conducted under normal terms.

a. Related party name and category

Related Party Name	Related Party Category
FMT	Subsidiaries
DCI	Subsidiaries
YLPPC	Subsidiaries
ACSPL	Subsidiaries
NHC	Subsidiaries
AEE	Subsidiaries
AIC	Subsidiaries
YTRMC	Subsidiaries
ACCHC	Subsidiaries
YLT	Subsidiaries
Ya Sing Ready-Mixed Concrete Corp.	Sub-subsidiaries
Fu Shan Mineral Stone Co., Ltd.	Sub-subsidiaries
Fu Da Transportation Corp.	Sub-subsidiaries
Jiangxi Yadong Cement Co., Ltd.	Sub-subsidiaries
Kowloon Cement Corp. Ltd.	Sub-subsidiaries
Perez - AOG L.L.C.	Sub-subsidiaries
FENC	Associates
U-Ming	Associates
YDC	Associates
OSC	Associates
FEDSDL	Associates
EISF	Associates
Shih Hsin Storage & Transportation Co., Ltd.	Associates
Pao-Good Industry Co., Ltd.	Associates
Far EasTone Telecommunications Co., Ltd.	Others

(Continued)

Related Party Name	Related Party Category
Far Eastern Department Store Ltd.	Others
Chu Feng Power Corporation, Preparatory Office	Others
Oriental Union Chemical Corp.	Others
Mr. Xu Yuanzhi Memorial Foundation	Others
Yuan Ze University	Others
New Century InfoComm Tech Co., Ltd.	Others
CHC Resources Corporation	Others
Far Eastern Resources Development Co.	Others
Far Eastern General Construction Inc.	Others
Far Eastern International Leasing Corporation	Others
U-Ming Transport (Singapore) Private Limited	Others
Ding & Ding Management Consultants Co., Ltd.	Others
Far Eastern Memorial Hospital	Others
Ya Tung Department Store Ltd.	Others
YDT Technology International Corporation	Others
Oriental Resources Development Co., Ltd.	Others
Far Eastern Leasing Corporation	Others
Ho Hwei Enterprise Corp. Ltd.	Others
Far Eastern Apparel Co., Ltd.	Others
NanKung Enterprise Ltd.	Others
Far Eastern Fibertech Co., Ltd.	Others
Far Eastern Technical Consultants Co., Ltd.	Others
Far Eastern International Bank (FEIB)	Others
Far Eastern New Century (China) Corporation	Others

(Concluded)

Note: Other related party relationships 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.

b. Operating transactions

	For the Year Ended December 31	
	2018	2017
Operating revenues		
Subsidiaries	$ 2,582,709	$ 2,107,862
Associates	253,840	371,303
Others	139,159	130,789
	$ 2,975,708	$ 2,609,954
Operating cost		
Subsidiaries	$ 726,082	$ 631,578
Associates	601,069	536,598
Others	370,105	265,314
	$ 1,697,256	$ 1,433,490

Receivables from related parties (including notes receivable, trade receivables and other receivables):

	December 31	
	2018	**2017**
Subsidiaries		
YTRMC	$ 370,183	$ 297,210
Others	152,353	96,302
	522,536	393,512
Associates	11,772	11,901
Others	6,692	15,555
	$ 541,000	$ 420,968

Accounts payable and accrued expenses to related parties:

	December 31	
	2018	**2017**
Subsidiaries	$ 84,014	$ 69,821
Associates	97,764	97,359
Others	6,326	4,936
	$ 188,104	$ 172,116

The outstanding trade payables and receivables from related parties are unsecured. For the years ended December 31, 2018 and 2017, no allowance for impairment was recognized on trade receivables from related parties.

Prepayments:

	December 31	
	2018	**2017**
Associates	$ 15,000	$ 15,000

c. Transactions with FEIB

	December 31	
	2018	**2017**
Bank deposits (Note)	$ 7,969,230	$ 1,078,121
Bank Loans	$ 400,000	$ 600,000

Note: The balances included amounts recognized as debt investments with no active market, financial assets measured at amortized cost, and other non-current assets (refundable deposits).

d. Compensation of key management personnel

The amounts of the compensation of directors and other key management personnel for the years ended December 31, 2018 and 2017 were as follows:

	For the Year Ended December 31	
	2018	2017
Short-term employee benefits	$ 268,538	$ 173,469
Post-employment benefits	756	756
	$ 269,294	$ 174,225

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

e. Other transactions with related parties

1) Operating expense - rental

	For the Year Ended December 31	
	2018	2017
Associates	$ 44,912	$ 44,861
Others	6,084	6,157
	$ 50,996	$ 51,018

2) Acquisitions of property, plant and equipment

	For the Year Ended December 31	
	2018	2017
Others	$ 34	$ -

3) Acquisitions of investment properties

	For the Year Ended December 31	
	2018	2017
Others	$ 337	$ 1,186

33. OPERATING LEASE ARRANGEMENTS

a. The Corporation as lessee

Operating leases relate to leases of office. The refundable deposits paid under operating lease contracts as of December 31, 2018 and 2017 were both $10,811 thousand.

The future minimum lease payments for non-cancellable operating lease commitments are as follows:

	December 31	
	2018	2017
Not later than 1 year	$ 44,816	$ 44,761
Later than 1 year and not later than 5 years	44,816	89,522
	$ 89,632	$ 134,283

The rent expenses on the above operating lease contracts were $44,805 thousand and $44,754 thousand, respectively in 2018 and 2017 for the years ended December 31, 2018 and 2017, respectively.

b. The information of the Corporation as lessor refers to Note 17.

34. ASSETS PLEDGED AS COLLATERAL

The following assets are provided as collaterals for short-term and long-term bank borrowings:

	December 31	
	2018	2017
Investment properties	$ 13,840,249	$ 13,915,793
Investments accounted for using equity method	11,388,997	10,745,637
Financial assets at fair value through other comprehensive income - current	1,107,800	-
Property, plant and equipment, net	886,829	892,722
Available-for-sale financial assets - current	-	1,065,750
	$ 27,223,875	$ 26,619,902

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2018, the Corporation had the following significant commitments and contingencies:

a. Unused letters of credit of US$4,419 thousand and EUR131 thousand.

b. Guarantee notes issued for related parties:

The Corporation	
AIC	$ 12,039,900
DCI	8,769,975
NHC	1,339,310
YLPPC	497,642
AEE	422,660
YSRMC	150,000
FSMS	30,000
	$ 23,249,487

c. On December 4, 2015 and December 17, 2015, CSCGL, China Shanshui Cement Group (Hong Kong) Company Limited and China Pioneer Cement (Hong Kong) Company Limited (collectively referred as "Shanshui Cement Group") commenced legal proceedings against former directors of CSCGL in respect of alleged dishonest breaches of fiduciary duty or alleged conspiracy to injure CSCGL during their tenures. The proceedings arose from disputes between CSCGL's present and former board of directors over the changes in management and the takeover of the headquarters of CSCGL. On April 7, 2016, the Corporation was added as the 10th defendant. The Corporation has engaged lawyers to take legal actions in connection with the unqualified claim to defend its reputation and interests. Up to the date of the auditors' report, the proceedings are still ongoing and it is premature to make any assessment of the likely outcome of the action. Therefore, the Corporation did not recognize any contingent liabilities.

d. Tianrui Group Company Limited and Tianrui (International) Holding Company Limited (collectively referred as "Tianrui Group"), CSI and former and present directors of CSCGL, in breach of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Codes on Takeovers and Mergers and Share Buy-backs issued by the Hong Kong Securities and Futures Commission and the fiduciary duties, have engaged in unfair prejudicial conducts in favor of Tianrui directly and indirectly through CSCGL which are detrimental to the interests of shareholders including the Corporation. The Corporation has filed a writ of summons in the High Court of Hong Kong Special Administrative Region and the Grand Court of the Cayman Islands in June and August 2017, respectively. The Corporation is seeking legal advice in relation to the legal proceedings. Up to the date of the auditors' report, the trial date has not been set. The Corporation's appointed attorney has been actively following up on the legal proceedings.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2018

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
RMB	$ 189,004	4.46804	$ 844,478
USD	105,534	30.665	3,236,187
Non-monetary items			
HKD	266,622	3.891	1,037,426
Financial liabilities			
Monetary items			
USD	8,747	30.665	268,218

December 31, 2017

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
RMB	$ 120,949	4.5469	$ 549,935
USD	117,225	29.71	3,482,756
Non-monetary items			
HKD	1,026,926	3.777	3,878,700
Financial liabilities			
Monetary items			
USD	3,000	29.71	89,130

For the years ended December 31, 2018 and 2017, the total amounts of realized and unrealized net foreign exchange gains (losses) were $36,987 thousand and $251,699 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 entities.

37. 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 investments in subsidiaries, associates and joint ventures): 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: Note 7.

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: Table 8.

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.

ASIA CEMENT CORPORATION

FINANCING PROVIDED TO OTHERS
YEAR ENDED DECEMBER 31, 2018
(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	FENCC	Other receivables	Y	RMB651,000 thousand (equivalent to NT$2,908,697 thousand)	RMB431,900 thousand (equivalent to NT$1,929,748 thousand)	RMB431,900 thousand (equivalent to NT$1,929,748 thousand)	-	Necessary for short-term financing	$ -	Operating capital	$ -	-	$ -	20% of net worth RMB2,417,582 thousand (equivalent to NT$10,801,863 thousand)	50% of net worth RMB6,043,955 thousand (equivalent to NT$27,004,657 thousand)
		YDES	Other receivables	Y	RMB230,000 thousand (equivalent to NT$1,027,650 thousand)	RMB230,000 thousand (equivalent to NT$1,027,650 thousand)	RMB114,699 thousand (equivalent to NT$512,478 thousand)	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
2	OHC	NYLC	Other receivables	Y	RMB5,000 thousand (equivalent to NT$22,340 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB399,973 thousand (equivalent to NT$1,787,097 thousand)	50% of net worth RMB999,933 thousand (equivalent to NT$4,467,745 thousand)
		WYXC	Other receivables	Y	RMB10,000 thousand (equivalent to NT$44,680 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		TZOCCL	Other receivables	Y	RMB25,000 thousand (equivalent to NT$111,701 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SHYLCP	Other receivables	Y	RMB95,000 thousand (equivalent to NT$424,464 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SYCPCL	Other receivables	Y	RMB15,000 thousand (equivalent to NT$67,021 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		CYCPCL	Other receivables	Y	RMB10,000 thousand (equivalent to NT$44,680 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB240,000 thousand (equivalent to NT$1,072,331 thousand)	RMB240,000 thousand (equivalent to NT$1,072,331 thousand)	RMB193,000 thousand (equivalent to NT$862,332 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCCL	Other receivables	Y	RMB35,000 thousand (equivalent to NT$156,382 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SIYDCCL	Other receivables	Y	RMB160,000 thousand (equivalent to NT$714,887 thousand)	RMB160,000 thousand (equivalent to NT$714,887 thousand)	RMB140,000 thousand (equivalent to NT$625,526 thousand)	4.57%	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		
3	JYDC	YYDCCL	Other receivables	Y	RMB160,000 thousand (equivalent to NT$714,887 thousand)	RMB160,000 thousand (equivalent to NT$714,887 thousand)	RMB115,000 thousand (equivalent to NT$513,825 thousand)	4.57%	Necessary for short-term financing	$ -	Operating capital	$ -	-	$ -	20% of net worth RMB1,116,765 thousand (equivalent to NT$4,989,755 thousand)	50% of net worth RMB2,791,912 thousand (equivalent to NT$12,474,386 thousand)
		TZOCCL	Other receivables	Y	RMB145,000 thousand (equivalent to NT$647,866 thousand)	RMB145,000 thousand (equivalent to NT$647,866 thousand)	RMB95,000 thousand (equivalent to NT$424,464 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		HGYDC	Other receivables	Y	RMB90,000 thousand (equivalent to NT$402,124 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		NYLC	Other receivables	Y	RMB5,000 thousand (equivalent to NT$22,340 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SIYDCCL	Other receivables	Y	RMB300,000 thousand (equivalent to NT$1,340,413 thousand)	RMB100,000 thousand (equivalent to NT$446,804 thousand)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB500,000 thousand (equivalent to NT$2,234,022 thousand)	RMB400,000 thousand (equivalent to NT$1,787,218 thousand)	RMB132,000 thousand (equivalent to NT$589,782 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		CYCPCL	Other receivables	Y	RMB5,000 thousand (equivalent to NT$22,340 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCCL	Other receivables	Y	RMB35,000 thousand (equivalent to NT$156,382 thousand)	RMB35,000 thousand (equivalent to NT$156,382 thousand)	RMB34,000 thousand (equivalent to NT$151,913 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SHYLCP	Other receivables	Y	RMB100,000 thousand (equivalent to NT$446,804 thousand)	RMB100,000 thousand (equivalent to NT$446,804 thousand)	RMB60,000 thousand (equivalent to NT$268,083 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
4	NYDC	SHYLCP	Other receivables	Y	RMB5,000 thousand (equivalent to NT$22,340 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB34,781 thousand (equivalent to NT$155,403 thousand)	50% of net worth RMB86,953 thousand (equivalent to NT$388,510 thousand)
		NYLC	Other receivables	Y	RMB10,000 thousand (equivalent to NT$44,680 thousand)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SIYDCCL	Other receivables	Y	RMB14,000 thousand (equivalent to NT$62,553 thousand)	RMB14,000 thousand (equivalent to NT$62,553 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB14,000 thousand (equivalent to NT$62,553 thousand)	RMB14,000 thousand (equivalent to NT$62,553 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	4.57%	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		
5	HYDCCL	WYXC	Other receivables	Y	RMB60,000 thousand (equivalent to NT$268,083 thousand)	RMB60,000 thousand (equivalent to NT$268,083 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	4.57%	Necessary for short-term financing	$ -	Operating capital	$ -	-	$ -	20% of net worth RMB483,712 thousand (equivalent to NT$2,161,246 thousand)	50% of net worth RMB1,209,279 thousand (equivalent to NT$5,403,112 thousand)
		HXMC	Other receivables	Y	RMB115,000 thousand (equivalent to NT$513,825 thousand)	RMB40,000 thousand (equivalent to NT$178,722 thousand)	RMB24,500 thousand (equivalent to NT$109,467 thousand)	4.68%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYCPCL	Other receivables	Y	RMB35,000 thousand (equivalent to NT$156,382 thousand)	RMB35,000 thousand (equivalent to NT$156,382 thousand)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB170,000 thousand (equivalent to NT$759,567 thousand)	RMB150,000 thousand (equivalent to NT$670,207 thousand)	RMB105,000 thousand (equivalent to NT$469,145 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SYCPCL	Other receivables	Y	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SIYDCCL	Other receivables	Y	RMB130,000 thousand (equivalent to NT$580,846 thousand)	RMB80,000 thousand (equivalent to NT$357,444 thousand)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
6	WYDC	WYXC	Other receivables	Y	RMB60,000 thousand (equivalent to NT$268,083 thousand)	RMB60,000 thousand (equivalent to NT$268,083 thousand)	RMB60,000 thousand (equivalent to NT$268,083 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB116,013 thousand (equivalent to NT$518,351 thousand)	50% of net worth RMB290,031 thousand (equivalent to NT$1,295,871 thousand)
		WYCPCL	Other receivables	Y	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB35,000 thousand (equivalent to NT$156,382 thousand)	RMB25,000 thousand (equivalent to NT$111,701 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SYCPCL	Other receivables	Y	RMB30,000 thousand (equivalent to NT$134,041 thousand)	RMB30,000 thousand (equivalent to NT$134,041 thousand)	RMB30,000 thousand (equivalent to NT$134,041 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB90,000 thousand (equivalent to NT$402,124 thousand)	RMB90,000 thousand (equivalent to NT$402,124 thousand)	RMB90,000 thousand (equivalent to NT$402,124 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
7	CYCPCL	SIYDCCL	Other receivables	Y	RMB10,000 thousand (equivalent to NT$44,680 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB13,628 thousand (equivalent to NT$60,891 thousand)	50% of net worth RMB34,070 thousand (equivalent to NT$152,226 thousand)
		SLCL	Other receivables	Y	RMB10,000 thousand (equivalent to NT$44,680 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	RMB10,000 thousand (equivalent to NT$44,680 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
8	HGYDC	SIYDCCL	Other receivables	Y	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB20,000 thousand (equivalent to NT$89,361 thousand)	4.57%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB236,851 thousand (equivalent to NT$1,058,261 thousand)	50% of net worth RMB592,128 thousand (equivalent to NT$2,645,654 thousand)
		SLCL	Other receivables	Y	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB50,000 thousand (equivalent to NT$223,402 thousand)	RMB50,000 thousand (equivalent to NT$223,402 thousand)	4.57%	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		
9	NYLC	SIYDCCL	Other receivables	Y	RMB16,000 thousand (equivalent to NT$71,489 thousand)	RMB16,000 thousand (equivalent to NT$71,489 thousand)	$ -	-	Necessary for short-term financing	$ -	Operating capital	$ -	-	$ -	20% of net worth RMB36,830 thousand (equivalent to NT$164,558 thousand)	50% of net worth RMB92,074 thousand (equivalent to NT$411,391 thousand)
		SLCL	Other receivables	Y	RMB16,000 thousand (equivalent to NT$71,489 thousand)	RMB16,000 thousand (equivalent to NT$71,489 thousand)	-	-	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, 2018.

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, 2018.

Note 4: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2018.

(Concluded)

ASIA CEMENT CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
YEAR ENDED DECEMBER 31, 2018
(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 (Note 1)	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 ($68,946,113)	$ 12,054,300	$ 12,039,900	$ 8,130,000	None	8.73	100% of net worth ($137,892,226)	Y	-	-
		DCI	b	Same as above	8,773,575	8,769,975	4,800,000	None	6.36	Same as above	Y	-	-
		FSMS	b	Same as above	30,000	30,000	30,000	None	0.02	Same as above	Y	-	-
		NHC	b	Same as above	1,340,920	1,339,310	445,000	None	0.97	Same as above	Y	-	-
		AEE	b	Same as above	423,620	422,660	160,000	None	0.31	Same as above	Y	-	-
		YLPPC	b	Same as above	497,642	497,642	177,975	None	0.36	Same as above	Y	-	-
		YSRMC	b	Same as above	150,000	150,000	55,000	None	0.11	Same as above	Y	-	-
1	DCI	FSMS	b	50% of net worth ($6,236,401)	50,000	50,000	-	None	0.40	100% of net worth ($12,472,801)	Y	-	-
		ACM IV	b	Same as above	216,335	214,655	-	$214,655	1.72	Same as above	Y	-	-
2	Asia Oriental (Guam) L.L.C.	PEREZ - AOG, L.L.C.	b	50% of net worth (US$851 thousand) (equivalent to NT$26,085 thousand)	15,333	-	-	None	-	100% of net worth (US$1,701 thousand) (equivalent to NT$52,169 thousand)	Y	-	-
3	ACCHC	PIHPL	b	50% of net worth (RMB6,043,955 thousand) (equivalent to NT$27,004,655 thousand)	919,950	-	-	None	-	100% of net worth (RMB12,087,909 thousand) (equivalent to NT$54,009,309 thousand)	Y	-	-

Note 1: The net value was calculated based on audited financial statements as of December 31, 2018.

Note 2: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2018.

Note 3: The relationship between guarantor and guarantee are as follows:

a. Firms that do business with the Corporation.
b. Firms of which the Corporation holds, directly or indirectly, over 50% of the voting shares.

ASIA CEMENT CORPORATION
(EXCLUDING SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES)

MARKETABLE SECURITIES HELD
DECEMBER 31, 2018
(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, 2018				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	Beneficiary certificates							
	Deutsche Far Eastern DWS Taiwan Flagship Security Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	10,000,000	$ 135,400	-	$ 135,400	
	Common stocks							
	China Conch Venture Holding	-	Financial assets at fair value through profit or loss - current	11,443,000	1,037,426	0.63	1,037,426	
	Far EasTone	The same chairman	Financial assets at fair value through other comprehensive income - current	31,034,372	2,371,026	0.95	2,371,026	Note 4
	Far Eastern Department Stores Ltd.	The same chairman	Financial assets at fair value through other comprehensive income - noncurrent	80,052,950	1,256,831	5.65	1,256,831	
	Oriental Union Chemical Corp.	The same chairman	Same as above	63,766,522	1,645,176	7.20	1,645,176	
	CHC Resources Corporation	The Corporation is its director	Same as above	22,801,185	1,142,339	9.17	1,142,339	
	Far Eastern International Bank	The chairman of the Corporation is its vice-chairman	Same as above	76,842,263	768,423	2.35	768,423	
	KRT	-	Same as above	15,873,243	83,040	5.70	83,040	
	Taiwan Stock Exchange Corp.	-	Same as above	8,028,922	439,664	1.16	439,664	
	DDH	Related party in substance	Same as above	555,625	-	0.53	-	
	L' Hotel de Chine Hotel	-	Same as above	598,121	24,427	0.31	24,427	
	China Trade & Development Corp.	-	Same as above	250,003	3,902	0.38	3,902	
	Pan Asia Engineers & Constructors Corp.	The Corporation is its director	Same as above	1,551,395	22,340	1.36	22,340	
	Linkou Recreation Corporation	-	Same as above	5	-	0.5	-	
DCI	Beneficiary certificates							
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	400,000	30,200	-	30,200	
	Mega Target Return Strategy Fund of ETF Funds	-	Same as above	1,000,811	9,608	-	9,608	
	ChinaAMC CSI 300 Index ETF	-	Same as above	540,000	74,065	0.20	74,065	
	Opas Fund Segregated Portfolio Tranche A	Related party in substance	Same as above	8,000	259,519	-	259,519	
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Same as above	1,352	51,698	-	51,698	
	Opas Fund Segregated Portfolio Tranche D	Related party in substance	Same as above	56,000	1,716,669	-	1,716,669	
	Opas Fund Segregated Portfolio Tranche E	Related party in substance	Same as above	4,070	151,615	-	151,615	
	Common stocks							
	Industrial and Commercial Bank of China, A share	-	Financial assets at fair value through profit or loss - current	2,000,000	47,272	-	47,272	
	China Mobile Communications Corporation	-	Same as above	210,000	61,569	-	61,569	
	Haitong Securities Co., Ltd.	-	Same as above	1,800,000	52,528	0.05	52,528	
	Taiwan Cement Co., Ltd.	-	Same as above	7,501,400	267,050	0.14	267,050	
	Hsing Ta Cement Co., Ltd.	-	Same as above	12,247,854	169,020	3.58	169,020	
	Chunghwa Picture Tubes, Ltd.	-	Same as above	275,223	171	-	171	
	Innolux Corporation	-	Same as above	9,200,000	89,424	0.09	89,424	
	Pegatron Corporation	-	Same as above	1,242,000	63,839	0.05	63,839	
	Delta Electronics Inc.	-	Same as above	1,080,000	139,860	0.04	139,860	
	Tong Yang Industry Co., Ltd	-	Same as above	1,632,000	60,139	0.28	60,139	
	First Financial Holding Co., Ltd.	-	Same as above	2,950,210	59,004	0.02	59,004	
	Taiwan Semiconductor Manufacturing Co., Ltd	-	Same as above	450,000	101,475	0.00	101,475	
	E Ink Holdings corporation	-	Same as above	1,130,000	34,070	0.10	34,070	
	Casetek Holdings Limited	-	Financial assets at fair value through other comprehensive income - current	1,050,000	41,317	0.25	41,317	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2018				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	China Life Insurance Company Limited, H share	-	Same as above	607,000	$ 39,301	0.01	$ 39,301	
	Far Eastern International Bank	The chairman of the Corporation's major stockholder is its vice-chairman	Same as above	36,720,075	367,201	1.12	367,201	
	Oriental Union Chemical Corp.	Same chairman with the major stockholder	Same as above	41,246	1,064	-	1,064	
	Far EasTone	Same chairman with the major stockholder	Same as above	215,000	16,426	0.01	16,426	
	Mega Financial Holding Co., Ltd.	-	Same as above	9,958,000	258,410	0.07	258,410	
	Far Eastern International Bank	The chairman of the Corporation's major stockholder is its vice-chairman	Financial assets at fair value through other comprehensive income - noncurrent	94,924,216	949,242	2.90	949,242	
	Far Eastern Department Stores Ltd.	The same chairman	Same as above	13,630,966	214,006	0.96	214,006	Note 5
	Oriental Union Chemical Corp.	The same chairman	Same as above	10,506,792	271,075	1.19	271,075	
	CHC Resources Corporation	The Corporation is its director	Same as above	4,812,514	241,107	1.94	241,107	
	Picvue Electronics Co., Ltd.	-	Same as above	161,700	-	0.06	-	
	DDH	Same chairman with the major stockholder	Same as above	213,428	-	0.21	-	
	Far Eastern International Leasing Corporation	The Corporation is its director	Same as above	45,258,938	602,813	10.14	602,813	
NHC	Common stocks							
	Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through profit or loss - current	50,000	3,820	-	3,820	
YTRMC	Common stocks							
	Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through other comprehensive income - current	230,000	17,572	0.01	17,572	
FMT	Common stocks							
	Everest Textile Co., Ltd.	The chairman of the Corporation is its chairman	Financial assets at fair value through other comprehensive income - current	13,018,843	151,019	2.60	151,019	
	Oriental Union Chemical Corp.	The chairman of the Corporation is its director	Financial assets at fair value through other comprehensive income - noncurrent	2,256,782	58,225	0.25	58,225	
	Far Eastern Department Store Ltd.	Same chairman with the major stockholder	Same as above	1,185,713	18,616	0.08	18,616	
	Yi Tong Fiber Co., Ltd.	-	Same as above	5,256,454	41,691	5.94	41,691	
FDT	Common stocks							
	Far Eastern International Bank	The chairman of the Corporation is its vice-chairman by the ultimate parent company	Financial assets at fair value through other comprehensive income - current	288,376	2,884	0.01	2,884	
	Far Eastern Department Store Ltd.	The chairman of the Corporation is its vice-chairman	Financial assets at fair value through other comprehensive income - noncurrent	935,029	14,680	0.07	14,680	
	Oriental Union Chemical Corp.	Same chairman with the ultimate parent company	Same as above	3,254,125	83,956	0.37	83,956	
	Ding & Ding Management Consultants Co., Ltd.	-	Same as above	685,704	8,376	16.00	8,376	
AEE	Common stocks							
	Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through other comprehensive income - current	120,000	9,168	-	9,168	
	Ding & Ding Management Consultants Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	216,000	900	5.04	900	
YLPPC	Common stocks							
	Far EasTone	The director of the Corporation is its chairman	Financial assets at fair value through other comprehensive income - current	105,000	8,022	-	8,022	
	Yamay International Development Corp.	-	Financial assets at fair value through other comprehensive income - noncurrent	15	-	-	-	
AIC	Beneficiary certificates							
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Financial assets at fair value through profit or loss - current	4,016	153,597	-	153,597	
	Opas Fund Segregated Portfolio Tranche D	Related party in substance	Same as above	58,000	1,777,978	-	1,777,978	
	Opas Fund Segregated Portfolio Tranche E	Related party in substance	Same as above	3,973	147,992	-	147,992	
	ChinaAMC CSI 300 Index ETF	-	Same as above	1,000,000	137,158	0.37	137,158	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2018				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Common stocks							
	Hsing Ta Cement Co., Ltd	-	Financial assets at fair value through profit or loss - current	16,515,650	$ 227,916	4.83	$ 227,916	
	First Financial Holding Co., Ltd.	-	Same as above	3,869,310	77,386	0.03	77,386	
	Foxconn Technology Co., Ltd	-	Same as above	2,043,000	123,602	0.14	123,602	
	Taiwan Cement Co., Ltd.	-	Same as above	364,000	12,958	0.01	12,958	
	Quanta Computer Inc.	-	Same as above	1,805,000	95,124	0.05	95,124	
	Pegatron Corporation	-	Same as above	825,000	42,405	0.03	42,405	
	Taiwan Semiconductor Manufacturing Co., Ltd	-	Same as above	400,000	90,200	-	90,200	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,720,000	121,776	0.01	121,776	
	Mega Financial Holding Co., Ltd.	-	Same as above	7,926,000	205,680	0.06	205,680	
	China Construction Bank Corporation, A share	-	Same as above	2,500,000	71,154	-	71,154	
	China Life Insurance Company Limited, H share	-	Same as above	1,350,000	87,407	-	87,407	
	China Mobile Communications Corporation	-	Same as above	448,000	131,348	-	131,348	
	Far EasTone	Same chairman with the major stockholder	Same as above	1,426,303	108,970	0.04	108,970	
	Casetek Holdings Limited	-	Same as above	1,000,000	39,350	0.24	39,350	
	Nan Ya Plastics Corporation	-	Same as above	2,541,000	191,845	0.03	191,845	
	Inventec Corporation	-	Same as above	2,882,000	63,548	0.08	63,548	
	China Life Insurance Company Limited, A share	-	Same as above	540,000	49,196	-	49,196	
	China Life Insurance Company Limited, H share	-	Same as above	986,000	63,840	-	63,840	
	Far Eastern International Bank	The chairman of the Corporation's major stockholder is its vice-chairman	Financial assets at fair value through other comprehensive income - noncurrent	131,660,130	1,316,601	4.03	1,316,601	
	Oriental Union Chemical Corp.	Same chairman with the major stockholder	Same as above	1,552,156	40,047	0.18	40,047	
	Far Eastern Department Store Ltd.	Same chairman with the major stockholder	Same as above	4,473,972	70,241	0.32	70,241	Note 6
	Ding Shen Investment Co., Ltd.	The Corporation is its director	Same as above	39,600,000	310,068	18.00	310,068	
Asia Cement Pioneer Investment Ltd.	Common stocks							
	Cementon Micronesia L.L.C.	-	Financial assets at fair value through other comprehensive income - noncurrent	(Note 1)	121,914	10.00	121,914	
FSMS	Common stocks							
	Stone Industry Resource System Corp	-	Financial assets at fair value through other comprehensive income - noncurrent	10,000	70	0.15	70	
YLT	Beneficiary certificates							
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	350,000	26,425	-	26,425	
	Common stocks							
	Far Eastern International Bank	The chairman of the Corporation's major stockholder is its vice-chairman	Financial assets at fair value through other comprehensive income - noncurrent	2,942,886	29,429	0.09	29,429	
	Far EasTone	Same chairman with the major stockholder	Same as above	71,099	5,432	-	5,432	
YLSS	Common stocks							
	Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through other comprehensive income - current	130,000	9,932	-	9,932	
KCC	Beneficiary certificates							
	iShare FTSF A50 China Index ETF	-	Financial assets at fair value through profit or loss - current	1,123,600	HK$ 12,809 thousand	-	HK$ 12,809 thousand	
	CSOP FTSE China A50 ETF	-	Same as above	300,000	HK$ 3,438 thousand	-	HK$ 3,438 thousand	
KCCL	Beneficiary certificates							
	Allianz US High Yield Fund	-	Financial assets at fair value through profit or loss - current	97,741	HK$ 5,231 thousand	-	HK$ 5,231 thousand	
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Same as above	1,606	HK$ 16,931 thousand	-	HK$ 16,931 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2018				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
ACSPL	Beneficiary certificates							
	United Emerging Markets Bond Funds	-	Financial assets at fair value through profit or loss - current	3,232,758	SGD 3,889 thousand	-	SGD 3,889 thousand	
	United Growth Fund	-	Same as above	745,068	SGD 2,454 thousand	-	SGD 2,454 thousand	
	Opas Fund Segregated Portfolio Tranche D	Related party in substance	Same as above	19,000	SGD 25,913 thousand	-	SGD 25,913 thousand	
	Common stocks							
	DBS Group	-	Financial assets at fair value through profit or loss - current	33,436	SGD 792 Thousand	-	SGD 792 Thousand	
	Guocoland Ltd.	-	Same as above	26,666	SGD 48 Thousand	-	SGD 48 Thousand	
	Hong Leong Asia	-	Same as above	20,000	SGD 10 Thousand	-	SGD 10 Thousand	
	INTRACO	-	Same as above	46,875	SGD 12 thousand	-	SGD 12 thousand	
	Engro Corp Ltd.	-	Same as above	2,000	SGD 2 thousand	-	SGD 2 thousand	
	Holcim Singapore Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,000	SGD 5 thousand	-	SGD 5 thousand	
OCPL	Common stocks							
	Hiap Hoe Ltd.	-	Financial assets at fair value through profit or loss - current	44,260	SGD 39 thousand	-	SGD 39 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 IFRS 9 “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: 14,500 thousand shares ($1,107,800 thousand) of the securities are pledged as collaterals for bank loans of the Corporation.

Note 5: 5,000 thousand shares ($78,500 thousand) of the securities are pledged as collaterals for bank loans of DCI.

Note 6: 3,500 thousand shares ($54,950 thousand) of the securities are pledged as collaterals for bank loans of AIC.

(Concluded)

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, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount
ACSPL	Beneficiary certificates Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	-	-	-	$ -	19,000	SGD 25,785 thousand	-	$ -	$ -	$ -	19,000	SGD 25,913 thousand
DCI	Beneficiary certificates Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	-	-	-	-	56,000	1,713,600	-	-	-	-	56,000	1,716,669
AIC	Beneficiary certificates Opas Fund Segregated Portfolio Tranche D	Financial assets at fair value through profit or loss - current	-	-	-	-	58,000	1,774,800	-	-	-	-	58,000	1,777,978

Note 1: Marketable securities in this table are stocks, bonds, beneficiary certificates and securities derived from these items.

Note 2: Marketable securities accounted for using equity method should fill these two columns.

Note 3: Marketable securities acquired or disposed of should be calculated separately based on market price to determine whether they are of at least NT$300 million or 20% of the paid-in capital.

Note 4: Paid-in capital is the parent company's paid-in capital. In the case of shares issued with no par value or a par value other than NT$10 per share, the 20% paid-in capital ruling refers to 10% of equity attributable to owners of the parent company as stated in the balance sheet.

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, 2018
(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	$ (1,769,285)	(20)	Purchase 45 days after monthly closing	$ -	-	$ 370,183	34	
	ACSPL	A subsidiary of the Corporation	Sales	(596,047)	(7)	Average 30 days	-	-	90,525	8	
	YSRMC	A subsidiary of the Corporation	Sales	(154,194)	(2)	Purchase 45 days after monthly closing	-	-	32,382	3	
	YDC	Related party in substance	Sales	(197,307)	(2)		-	-	11,771	1	
	U-Ming	An investee accounted for by equity method	Sales freight expense	543,364	6	Average 60 days	-	-	(76,223)	(5)	
	U-Ming Singapore	A subsidiary of an investee accounted for by equity method	Sales freight expense	262,477	3	Average 10 days	-	-	-	-	
	YLT	A subsidiary of the Corporation	Sales freight expense	157,617	2	Average 30 days	-	-	(41,808)	(3)	
	JYDC	A subsidiary of the Corporation	Purchase	246,326	3	Within 7 days	-	-	-	-	
	NHC	A subsidiary of the Corporation	Purchase	149,387	2	Purchase 45 days after monthly closing	-	-	(15,847)	(1)	
ACSPL	Alliance Concrete Singapore Pte. Ltd.	An investee accounted for by equity method	Sales	SGD (21,804) thousand	(63)	Average 60 days	-	-	SGD 7,024 thousand	64	
	The Corporation	Parent company	Purchase	SGD 26,666 thousand	80	Average 30 days	-	-	SGD (4,043) thousand	(100)	
YTRMC	Far Eastern General Construction Inc.	Related party in substance	Sales	(439,894)	(5)	Average 90 days	-	-	277,818	9	
	The Corporation	Parent company	Purchase	1,769,285	22	Purchase 45 days after monthly closing	-	-	(370,183)	(30)	
	CHC Resources Corporation	Related party in substance	Purchase	399,570	5	Purchase 45 days after monthly closing	-	-	(53,522)	(4)	
FMT	Air Liquide Far Eastern Co.	Related party in substance	Sales	(173,027)	(16)	Purchase 120 days after monthly closing	-	-	80,563	40	
	FENC	An investee accounted for by equity method	Sales	(205,148)	(19)	Purchase 60 days after monthly closing	-	-	23,472	12	
	OUCC	Related party in substance	Sales	(129,164)	(12)	Purchase 75 days after monthly closing	-	-	25,272	13	
FDT	FENC	An investee accounted for by equity method	Sales	(118,377)	(13)	Purchase 60 days after monthly closing	-	-	24,810	15	
	Oriental Petrochemical (Taiwan) Co., Ltd.	Related party in substance	Sales	(196,519)	(22)	110 days	-	-	62,014	38	
YSRMC	The Corporation	Parent company	Purchase	154,194	24	Purchase 45 days after monthly closing	-	-	(32,382)	(31)	
YLPPC	Far Eastern General Construction Inc.	Related party in substance	Sales	(155,661)	(55)	Average 30 days	-	-	28,646	28	
NHC	The Corporation	Parent company	Sales	(149,387)	(36)	Purchase 45 days after monthly closing	-	-	15,847	30	
YLT	The Corporation	Parent company	Sales	(157,617)	(96)	30 days	-	-	41,808	98	
YTV	Far Eastern Polytex Vietnam Ltd.	A subsidiary of an investee accounted for by equity method	Sales	VND (91,621,457) thousand	(75)	Within 45 days	-	-	VND 22,446,794 thousand	82	
JYDC	The Corporation	Parent company	Sales	RMB (54,200) thousand	(1)	Within 7 days	-	-	-	-	
	TZOCCL	The same ultimate parent company	Sales	RMB (171,146) thousand	(4)	Within 90 days	-	-	RMB 34,652 thousand	4	
	WYDC	The same ultimate parent company	Sales	RMB (265,028) thousand	(5)	Average 30 days	-	-	RMB 25,398 thousand	3	
	YYDCCL	The same ultimate parent company	Sales	RMB (523,623) thousand	(11)	Within 90 days	-	-	RMB 35,116 thousand	4	
	NYDC	A subsidiary of the Corporation	Sales	RMB (86,312) thousand	(2)	Average 30 days	-	-	RMB 9,785 thousand	1	

(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	
	NYLC	The same ultimate parent company	Sales	RMB (37,478) thousand	(1)	Average 30 days	$ -	-	RMB 2,331 thousand	1	
	HYDCCL	The same ultimate parent company	Sales	RMB (42,629) thousand	1	Within 90 days	-	-	RMB 45,597 thousand	(5)	
	JYLTC	A subsidiary of the Corporation	Sales freight expense	RMB 44,496 thousand	2	Within 90 days	-	-	RMB (12,988) thousand	(8)	
	WAMTC	An investee accounted for by equity method	Sales freight expense	RMB 68,375 thousand	2	Within 90 days	-	-	RMB (12,127) thousand	(7)	
	NYDC	A subsidiary of the Corporation	Purchase	RMB 280,286 thousand	10	Average 30 days	-	-	RMB (41,298) thousand	(24)	
	NYLC	A subsidiary of the Corporation	Purchase	RMB 26,610 thousand	1	Average 30 days	-	-	RMB (2,336) thousand	(1)	
	HGYDC	The same ultimate parent company	Purchase	RMB 45,360 thousand	2	Average 30 days	-	-	RMB (11,784) thousand	(7)	
NYDC	JYDC	Parent company	Sales	RMB (280,286) thousand	(100)	Average 30 days	-	-	RMB 41,298 thousand	100	
	JYDC	Parent company	Purchase	RMB 86,312 thousand	36	Average 30 days	-	-	RMB (9,785) thousand	(64)	
NYLC	JYDC	Parent company	Sales	RMB (26,610) thousand	(14)	Average 30 days	-	-	RMB 2,336 thousand	2	
	JYDC	Parent company	Purchase	RMB 37,478 thousand	24	Average 30 days	-	-	RMB (2,331) thousand	(11)	
TZOCCL	JYDC	The same ultimate parent company	Purchase	RMB 171,146 thousand	99	Within 90 days	-	-	RMB (34,652) thousand	(95)	
WYDC	JYDC	The same ultimate parent company	Purchase	RMB 265,028 thousand	51	Average 30 days	-	-	RMB (25,398) thousand	(47)	
	HYDCCL	The same ultimate parent company	Purchase	RMB 125,198 thousand	24	Within 90 days	-	-	RMB (33) thousand	-	
YYDCCL	JYDC	The same ultimate parent company	Purchase	RMB 523,623 thousand	71	Within 90 days	-	-	RMB (35,116) thousand	(78)	
HYDCCL	JYDC	The same ultimate parent company	Purchase	RMB 42,629 thousand	4	Within 90 days	-	-	RMB (45,597) thousand	(33)	
	WYDC	The same ultimate parent company	Sales	RMB (125,198) thousand	(8)	Within 90 days	-	-	RMB 33 thousand	-	
	WYCPCL	The same ultimate parent company	Sales	RMB (48,031) thousand	(3)	Within 90 days	-	-	RMB 18,228 thousand	3	
	WAMTC	An investee accounted for by equity method	Sales freight expense	RMB 38,464 thousand	4	Within 90 days	-	-	RMB (9,064) thousand	(7)	
	HGYDC	The same ultimate parent company	Purchase	RMB 88,932 thousand	9	Within 90 days	-	-	RMB (19,799) thousand	(15)	
WYCPCL	HYDCCL	The same ultimate parent company	Purchase	RMB 48,031 thousand	31	Within 90 days	-	-	RMB (18,228) thousand	(47)	
SIYDCCL	SLCL	The same ultimate parent company	Sales	RMB (81,162) thousand	(4)	Within 90 days	-	-	RMB 6,010 thousand	1	
	SYTCL	The same ultimate parent company	Sales freight expense	RMB 24,948 thousand	2	Within 90 days	-	-	RMB (4,761) thousand	(11)	

(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	
HGYDC	HYDCCL	The same ultimate parent company	Sales	RMB (88,932) thousand	(11)	Within 90 days	$ -	-	RMB 19,799 thousand	38	
	JYDC	The same ultimate parent company	Sales	RMB (45,360) thousand	(6)	Average 30 days	-	-	RMB 11,784 thousand	23	
SLCL	SYTCL	The same ultimate parent company	Sales freight expense	RMB 46,223 thousand	6	Within 90 days	-	-	RMB (5,093) thousand	(8)	
	SIYDCCL	The same ultimate parent company	Purchase	RMB 81,162 thousand	10	Within 90 days	-	-	RMB (6,010) thousand	(9)	
JYLTC	JYDC	Parent company	Sales	RMB (44,496) thousand	(64)	Within 90 days	-	-	RMB 12,988 thousand	80	
SYTCL	SLCL	The same ultimate parent company	Sales	RMB (46,223) thousand	(55)	Within 90 days	-	-	RMB 5,093 thousand	16	
	SIYDCCL	The same ultimate parent company	Sales	RMB (24,948) thousand	(30)	Within 90 days	-	-	RMB 4,761 thousand	50	

(Concluded)

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, 2018
(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	$ 370,183	5.3 times	$ -	-	$ 370,003	$ -
ACSPL	Alliance Concrete Singapore Pte. Ltd.	An investee accounted for by equity method	SGD 7,024 thousand	5.59 times	-	-	SGD 5,843 thousand	-
YTRMC	Far Eastern General Construction Inc.	Related party in substance	277,818	2.17 times	-	-	155,071	-
JYDC	YYDCCL	The same ultimate parent company	RMB 35,116 thousand	10.23 times	-	-	RMB 35,116 thousand	-
	WYDC	The same ultimate parent company	RMB 25,398 thousand	7.37 times	-	-	RMB 25,398 thousand	-
	TZOCCL	The same ultimate parent company	RMB 34,652 thousand	7.20 times	-	-	RMB 34,652 thousand	-
	HYDCCL	The same ultimate parent company	RMB 45,597 thousand	1.53 times	-	-	RMB 45,597 thousand	-
NYDC	JYDC	Parent company	RMB 41,298 thousand	5.82 times	-	-	RMB 41,298 thousand	-
ACCHC	FENC (China)	Related party in substance	RMB 431,900 thousand	Note 1	-	-	-	-
	Yuan Ding (Shanghai)	Related party in substance	RMB 114,699 thousand	Note 1	-	-	-	-
OHC	SIYDCCL	The same ultimate parent company	RMB 140,000 thousand	Note 1	-	-	RMB 20,000 thousand	-
	SLCL	The same ultimate parent company	RMB 193,000 thousand	Note 1	-	-	-	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
JYDC	YYDCCL	The same ultimate parent company	RMB 115,000 thousand	Note 1	$ -	-	RMB 35,000 thousand	$ -
	TZOCCL	The same ultimate parent company	RMB 95,000 thousand	Note 1	-	-	-	-
	SLCL	The same ultimate parent company	RMB 132,000 thousand	Note 1	-	-	RMB 20,000 thousand	-
	SLCCL	The same ultimate parent company	RMB 34,000 thousand	Note 1	-	-	RMB 1,000 thousand	-
	SHYLCP	The same ultimate parent company	RMB 60,000 thousand	Note 1	-	-	-	-
HYDCCL	SLCL	The same ultimate parent company	RMB 105,000 thousand	Note 1	-	-	RMB 20,000 thousand	-
	HXMC	An investee accounted for by equity method	RMB 24,500 thousand	Note 1	-	-	-	-
HGYDC	SLCL	The same ultimate parent company	RMB 50,000 thousand	Note 1	-	-	-	-
WYDC	SYCPCL	The same ultimate parent company	RMB 30,000 thousand	Note 1	-	-	-	-
	SLCL	The same ultimate parent company	RMB 90,000 thousand	Note 1	-	-	-	-
	WYCPCL	A subsidiary of the Corporation	RMB 25,000 thousand	Note 1	-	-	RMB 10,000 thousand	-
	WYXC	The same ultimate parent company	RMB 60,000 thousand	Note 1	-	-	-	-

Note 1: The accounts receivable from financing.

(Concluded)

ASIA CEMENT CORPORATION

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
YEAR ENDED DECEMBER 31, 2018
(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, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2018	December 31, 2017	Shares	Percentage of Ownership	Carrying Value			
The Corporation	ACCHC	Cayman	Investment	$ 13,660,636	$ 13,660,636	1,061,209,202	67.73	$ 36,545,690	$ 11,000,630	$ 7,452,890	A subsidiary of the Corporation
	FENC	Taipei, Taiwan	Textile	3,459,787	3,459,787	1,272,277,085	23.77	39,803,907	12,028,294	2,342,563	
	U-Ming	Taipei, Taiwan	Marine transportation	510,236	510,236	331,701,152	39.25	9,983,803	1,668,840	655,035	
	DCI	Taipei, Taiwan	Investment	2,555,255	2,555,255	595,576,603	99.99	12,471,554	452,716	452,684	A subsidiary of the Corporation
	CHP	Chiayi, Taiwan	Power plant	3,119,492	3,119,492	280,093,521	59.59	5,845,842	871,315	519,247	A subsidiary of the Corporation
	YDC	Taipei, Taiwan	Investment	2,232,220	2,232,220	178,707,648	35.50	3,263,209	148,412	42,315	
	YYI	Taipei, Taiwan	Investment	911,058	911,058	155,000,803	29.92	1,939,588	435,943	130,433	
	ACSPL	Singapore	Cement	186,958	186,958	10,495,495	99.96	3,570,587	420,624	421,166	A subsidiary of the Corporation
	OSC	Taipei, Taiwan	Broker	154,207	154,207	135,092,154	18.93	1,877,359	46,790	8,995	
	AIC	Taipei, Taiwan	Investment	1,212,679	1,212,679	222,039,596	100.00	1,946,618	81,038	81,038	A subsidiary of the Corporation
	YTRMC	Taipei, Taiwan	Ready-mixed concrete, cement - related products	1,042,252	1,042,252	159,067,779	99.99	1,557,263	(43,827)	(43,827)	A subsidiary of the Corporation
	YLSS	Kaohsiung, Taiwan	Stainless steel	2,661,240	2,661,240	200,000,000	100.00	1,977,315	124,872	116,586	A subsidiary of the Corporation
	FMT	Taipei, Taiwan	Transportation	68,416	68,416	29,517,188	99.82	1,418,575	197,110	208,364	A subsidiary of the Corporation
	FEDSDL	Taipei, Taiwan	Retails	500,000	500,000	53,250,000	25.00	617,872	71,477	17,869	
	NHC	Taichung, Taiwan	Cement, granulated blast-furnace slag	410,994	410,994	26,128,171	99.94	214,201	(109,869)	(109,804)	A subsidiary of the Corporation
	YDLC	Taipei, Taiwan	Leasing	309,049	309,049	34,640,189	43.60	368,032	8,181	3,567	
	YLT	Hwalien, Taiwan	Transportation	22,110	22,110	5,100,000	51.00	251,861	13,760	7,018	A subsidiary of the Corporation
	AEE	Hwalien, Taiwan	Engineering	5,136	5,136	7,970,703	98.23	128,288	41,576	40,840	A subsidiary of the Corporation
	EISF	Kaohsiung, Taiwan	Iron and steel	31,463	31,463	3,199,823	40.40	82,281	21,265	8,591	
	YLPPC	Taipei, Taiwan	Cement - related products	144,961	144,961	16,241,083	83.81	76,492	37,302	31,262	A subsidiary of the Corporation
	SIHL	B.V.I.	Investment	2,898	2,898	90,000	100.00	51,884	3,442	3,442	A subsidiary of the Corporation
	CSCGL	Cayman	Investment	4,821,008	-	331,878,315	7.62	4,460,107	2,156,683	164,339	
DCI	YDC	Taipei, Taiwan	Investment	289,982	289,982	72,989,090	14.50	1,338,858	148,412	Not applicable	
	FEC	Taipei, Taiwan	Construction	140,138	140,138	103,080,349	33.76	4,204,157	833,615	Not applicable	
	FENC	Taipei, Taiwan	Textile	1,263,385	1,263,385	82,812,887	1.55	2,557,351	12,028,294	Not applicable	
	KCC	Hong Kong	Cement	36,024	36,024	1,127,000	49.00	434,807	HK$ (10,465) thousand	Not applicable	A subsidiary of the Corporation
	SHSTC	Kaohsiung, Taiwan	Storage and transportation	143,516	231,322	13,345,949	14.30	35,088	(88,106)	Not applicable	
	FSMS	Hwalien, Taiwan	Mining excavation, mineral processing and sales	112,096	112,096	1,294,270	99.56	140,641	442	Not applicable	A subsidiary of the Corporation
	U-Ming	Taipei, Taiwan	Marine transportation	27,619	27,619	468,486	0.06	30,236	1,668,840	Not applicable	
	AC Mega Investment Ltd.	B.V.I.	Investment	579,926	579,926	19,600,000	100.00	455,842	15,498	Not applicable	A subsidiary of the Corporation
	AC Leap Investment Ltd.	B.V.I.	Investment	579,439	579,439	19,600,000	100.00	507,038	19,267	Not applicable	A subsidiary of the Corporation
	AC Mega II Investment Ltd.	B.V.I.	Investment	289,050	289,050	10,000,000	100.00	243,207	9,642	Not applicable	A subsidiary of the Corporation

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2018	December 31, 2017	Shares	Percentage of Ownership	Carrying Value			
DCI	AC Mega III Investment Ltd.	B.V.I.	Investment	$ 289,050	$ 289,050	10,000,000	100.00	$ 276,156	$ 8,336	Not applicable	A subsidiary of the Corporation
	AC Mega IV Investment Ltd.	B.V.I.	Investment	575,055	575,055	19,400,000	100.00	596,541	13,399	Not applicable	A subsidiary of the Corporation
	Catalyst Tranche One	B.V.I.	Investment	123,120	-	4,000	25.00	122,662	8	Not applicable	
	CSCGL	Cayman	Investment	872,619	-	56,297,000	1.29	756,511	2,156,683	Not applicable	
NHC	SHSTC	Kaohsiung, Taiwan	Storage and transportation	333,309	333,309	13,634,527	14.61	35,849	(88,106)	Not applicable	
	PGIC	Kaohsiung, Taiwan	Granulated blast-furnace slag	36,771	36,771	3,287,550	31.00	60,232	22,435	Not applicable	
	FENC	Taipei, Taiwan	Textile	15,240	15,240	1,739,978	0.03	41,281	12,028,294	Not applicable	
	U-Ming	Taipei, Taiwan	Marine transportation	1,027	1,027	64,143	0.01	819	1,668,840	Not applicable	
	CSCGL	Cayman	Investment	282,957	-	9,250,000	0.21	124,253	2,156,683	Not applicable	
YTRMC	YSRMC	Hsinchu, Taiwan	Ready-mixed concrete	69,930	69,930	6,993,000	69.93	68,254	9,460	Not applicable	A subsidiary of the Corporation
	YTV	Hà Tĩnh, Vietnam	Ready-mixed concrete	201,823	201,823	(Note 1)	100.00	208,429	VND 14,660,774 thousand	Not applicable	A subsidiary of the Corporation
	PYCI	Indonesia	Ready-mixed concrete	61,439	-	(Note 1)	99.00	48,464	IDR (2,530,312) thousand	Not applicable	A subsidiary of the Corporation
	AOG	Guam	Investment	175,230	175,230	(Note 1)	77.69	40,530	US$ (1,200) thousand	Not applicable	A subsidiary of the Corporation
FMT	FDT	Taipei, Taiwan	Transportation	30,373	30,373	27,892,834	99.87	740,087	104,118	Not applicable	A subsidiary of the Corporation
	FENC	Taipei, Taiwan	Textile	40,263	33,759	4,415,299	0.08	112,003	12,028,294	Not applicable	
FDT	YDEC	Taipei, Taiwan	Retail	160,424	160,424	28,914,405	26.95	566,922	69,107	Not applicable	
	U-Ming	Taipei, Taiwan	Marine transportation	1,891	1,891	50,000	0.01	1,683	1,668,840	Not applicable	
	FENC	Taipei, Taiwan	Textile	31,322	31,322	1,020,000	0.02	31,705	12,028,294	Not applicable	
AEE	ACCHC	Cayman	Investment	50,541	50,541	3,161,500	0.20	69,877	11,000,630	Not applicable	A subsidiary of the Corporation
	U-Ming	Taipei, Taiwan	Marine transportation	38,931	38,931	3,485,997	0.41	30,457	1,668,840	Not applicable	
	CSCGL	Cayman	Investment	266,942	-	8,368,000	0.19	112,405	2,156,683	Not applicable	
YLPPC	YDEC	Taipei, Taiwan	Retail	20,776	20,776	4,174,292	3.89	81,752	69,107	Not applicable	
	YLPCIP	India	Tunnel lining segments	8,338	8,338	(Note 1)	99.99	2,226	US$ (1,901) thousand	Not applicable	A subsidiary of the Corporation
	AOG	Guam	Investment	66,816	66,816	(Note 1)	22.31	11,639	US$ (1,892) thousand	Not applicable	A subsidiary of the Corporation
	PYCI	Indonesia	Ready-mixed concrete	621	-	(Note 1)	1.00	490	IDR (2,530,312) thousand	Not applicable	A subsidiary of the Corporation
AIC	FENC	Taipei, Taiwan	Textile	405,473	405,473	15,430,293	0.29	658,429	12,028,294	Not applicable	
	U-Ming	Taipei, Taiwan	Marine transportation	77,446	77,446	7,796,914	0.92	61,241	1,668,840	Not applicable	
	CHP	Chiayi, Taiwan	Power plant	376	376	37,574	0.01	850	871,315	Not applicable	A subsidiary of the Corporation
	Asia Cement Pioneer Investment Ltd.	B.V.I.	Investment	2,039,879	2,039,879	66,550,000	100.00	1,758,890	61,107	Not applicable	A subsidiary of the Corporation
	Asia Cement Pioneer II Investment Ltd.	B.V.I.	Investment	544,135	544,135	18,500,000	100.00	521,076	19,715	Not applicable	A subsidiary of the Corporation
	Asia Cement Pioneer III Investment Ltd.	B.V.I.	Investment	289,050	289,050	10,000,000	100.00	224,136	8,708	Not applicable	A subsidiary of the Corporation
	Asia Cement Pioneer IV Investment Ltd.	B.V.I.	Investment	286,263	286,263	9,510,000	100.00	261,126	9,877	Not applicable	A subsidiary of the Corporation
	Asia Cement Explorer Investment Ltd.	B.V.I.	Investment	334,065	334,065	11,415,000	100.00	142,357	3,350	Not applicable	A subsidiary of the Corporation
	DCI	Taipei, Taiwan	Investment	76	76	5,401	-	76	452,716	Not applicable	A subsidiary of the Corporation

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2018	December 31, 2017	Shares	Percentage of Ownership	Carrying Value			
	FMT	Taipei, Taiwan	Transportation	$ 176	$ 176	5,000	0.02	$ 272	$ 197,110	Not applicable	A subsidiary of the Corporation
	NHC	Taichung, Taiwan	Cement, granulated blast-furnace slag	78	78	5,000	0.02	80	(109,869)	Not applicable	A subsidiary of the Corporation
AIC	AEE	Hwalien, Taiwan	Engineering	116	116	6,000	0.07	120	41,576	Not applicable	A subsidiary of the Corporation
	FSMS	Hwalien, Taiwan	Mining excavation, mineral processing and sales	119	119	5,000	0.38	125	442	Not applicable	A subsidiary of the Corporation
	FDT	Taipei, Taiwan	Transportation	110	110	7,145	0.03	199	104,118	Not applicable	A subsidiary of the Corporation
	YSRMC	Hsinchu, Taiwan	Ready-mixed concrete	37	37	5,000	0.05	44	9,460	Not applicable	A subsidiary of the Corporation
	EISF	Kaohsiung, Taiwan	Iron and steel	15,649	15,649	660,000	8.33	17,191	21,265	Not applicable	
	YTRMC	Taipei, Taiwan	Ready-mixed concrete, cement - related products	53	53	5,782	-	53	(43,827)	Not applicable	A subsidiary of the Corporation
	CSCGL	Cayman	Investment	556,895	-	31,528,000	0.72	423,610	2,156,683	Not applicable	
YLT	U-Ming	Taipei, Taiwan	Marine transportation	58,840	58,840	6,348,103	0.75	299,617	1,668,840	Not applicable	
ACE	Opas Fund Segregated Portfolio Company	Cayman	Investment	1,531	1,610	33	33.00	1,610	76	Not applicable	
	Catalyst_207 SPC	Cayman	Investment	494	494	33	33.00	493	11	Not applicable	
	CSCGL	Cayman	Investment	266,882	-	7,480,000	0.17	100,481	2,156,683	Not applicable	
ACP	CSCGL	Cayman	Investment	1,959,250	-	107,536,000	2.47	1,445,197	2,156,683	Not applicable	
ACP II	CSCGL	Cayman	Investment	544,689	-	36,865,000	0.85	495,515	2,156,683	Not applicable	
ACP III	CSCGL	Cayman	Investment	290,967	-	14,790,000	0.34	198,773	2,156,683	Not applicable	
ACP IV	CSCGL	Cayman	Investment	292,032	-	18,514,000	0.43	248,929	2,156,683	Not applicable	
Leap	CSCGL	Cayman	Investment	567,556	-	35,569,000	0.82	478,092	2,156,683	Not applicable	
Mega	CSCGL	Cayman	Investment	554,533	-	30,251,000	0.70	406,675	2,156,683	Not applicable	
Mega II	CSCGL	Cayman	Investment	293,393	-	16,058,000	0.37	215,835	2,156,683	Not applicable	
Mega III	CSCGL	Cayman	Investment	292,743	-	18,477,000	0.42	248,209	2,156,683	Not applicable	
Mega IV	CSCGL	Cayman	Investment	504,078	-	37,410,000	0.86	502,778	2,156,683	Not applicable	
KCC	KCCL	Hong Kong	Ready-mixed concrete	HK$ 10 thousand	HK$ 10 thousand	10,000	100.00	HK$ 32,944 thousand	HK$ (769) thousand	Not applicable	A subsidiary of the Corporation
	Join Fortune Trading Ltd.	B.V.I.	Investment	HK$ 23,140 thousand	HK$ 23,140 thousand	2,979,721	100.00	HK$ 4,816 thousand	HK$ (3,096) thousand	Not applicable	A subsidiary of the Corporation
JFTL	Empire Success Corp Ltd.	Hong Kong	Storage and transportation	HK$ 17,040 thousand	HK$ 17,040 thousand	17,040,000	50.00	HK$ 4,464 thousand	HK$ (2,293) 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$ 543 thousand	HK$ (778) thousand	Not applicable	
AOG	Perez-AOG, L.L.C.	Guam	Mining excavation and sales	US$ 5,950 thousand	US$ 5,950 thousand	(Note 1)	64.50	US$ 155 thousand	US$ (1,892) thousand	Not applicable	A subsidiary of the Corporation
	Perez-Mtec-ACC, L.L.C.	Guam	Ready-mixed concrete	US$ 300 thousand	US$ 300 thousand	(Note 1)	33.33	US$ 1 thousand	-	Not applicable	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2018	December 31, 2017	Shares	Percentage of Ownership	Carrying Value			
ACSPL	OCPL	Singapore	Ready-mixed concrete, leasing	SGD 17,000 thousand	SGD 17,000 thousand	17,000,000	100.00	SGD 11,578 thousand	SGD 203 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 98,077 thousand	11,000,630	Not applicable	A subsidiary of the Corporation
	Alliance Concrete Singapore Pte. Ltd.	Singapore	Ready-mixed concrete	SGD 7,000 thousand	SGD 7,000 thousand	6,000,000	50.00	SGD 4,817 thousand	SGD (1,386) thousand	Not applicable	
ACCHC	PIHPL	B.V.I.	Investment	US$ 880,613 thousand	US$ 880,613 thousand	9,379,303	100.00	US$ 2,165,969 thousand	US$ 398,784 thousand	Not applicable	A subsidiary of the Corporation

Note 1: This is not a company limited by shares.

(Concluded)

ASIA CEMENT CORPORATION

INVESTMENT IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2018
(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, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018
					Outward	Inward						
SHYLCP	It manufactures and sells ready-mixed concrete and cement - related products	US$15,000 (equivalent to NT$459,975 thousand)	(2)	US$11,200 (equivalent to NT$343,448 thousand)	$ -	$ -	US$11,200 (equivalent to NT$343,448 thousand)	RMB(30,833) (equivalent to NT$(140,128) thousand)	72.00	RMB(22,199) (equivalent to NT$(100,892) thousand)	RMB130 (equivalent to NT$582 thousand)	US$800 (equivalent to NT$24,532 thousand)
JYDC	It manufactures and sells cement, clinker and ready-mixed concrete (including cement - related products).	US$356,104 (equivalent to NT$10,919,929 thousand)	(2)	US$93,035 (equivalent to NT$2,852,918 thousand) RMB(21,013) (equivalent to NT$(93,887) thousand)	-	RMB(105,745) (equivalent to NT$(472,473) thousand)	US$93,035 (equivalent to NT$2,852,918 thousand) RMB(126,758) (equivalent to NT$(566,360) thousand)	RMB1,370,378 (equivalent to NT$6,228,087 thousand)	68.40	RMB937,338 (equivalent to NT$4,260,012 thousand)	RMB3,819,336 (equivalent to NT$17,064,962 thousand)	US$50,781 (equivalent to NT$1,557,199 thousand) RMB126,758 (equivalent to NT$566,360 thousand)
WYDC	It manufactures and sells cement, slag powder and slag cement.	US$36,140 (equivalent to NT$1,108,233 thousand)	(2)	US$22,081 (equivalent to NT$677,114 thousand) RMB(1,378) (equivalent to NT$(6,157) thousand)	-	RMB(2,155) (equivalent to NT($9,629) thousand)	US$22,081 (equivalent to NT$677,114 thousand) RMB(3,533) (equivalent to NT$(15,786) thousand)	RMB24,907 (equivalent to NT$113,198 thousand)	72.00	RMB17,933 (equivalent to NT$81,503 thousand)	RMB417,645 (equivalent to NT$1,866,056 thousand)	US$4,469 (equivalent to NT$137,042 thousand) RMB3,533 (equivalent to NT$15,786 thousand)
SHYFCP	It manufactures and sells ready-mixed concrete and cement - related products	US$2,540 (equivalent to NT$77,889 thousand)	(2)	US$1,270 (equivalent to NT$38,945 thousand)	-	-	US$1,270 (equivalent to NT$38,945 thousand)	RMB170 (equivalent to NT$775 thousand)	0.00	RMB(14,544) (equivalent to NT$(66,098) thousand)	-	-
OHC	Investment	US$130,407 (equivalent to NT$3,998,931 thousand)	(2)	US$54,191 (equivalent to NT$1,661,767 thousand)	-	-	US$54,191 (equivalent to NT$1,661,767 thousand)	RMB295,191 (equivalent to NT$1,341,584 thousand)	72.00	RMB212,538 (equivalent to NT$965,940 thousand)	RMB1,439,903 (equivalent to NT$6,433,551 thousand)	US$809 (equivalent to NT$24,808 thousand)
NYLC	It manufactures and sells ready-mixed concrete and cement - related products	RMB60,000 (equivalent to NT$268,083 thousand)	(2)	-	-	-	-	RMB17,082 (equivalent to NT$77,635 thousand)	68.40	RMB11,684 (equivalent to NT$53,102 thousand)	RMB126,651 (equivalent to NT$565,883 thousand)	-
NYDC	It manufactures and sells cement, slag powder and slag cement.	RMB90,000 (equivalent to NT$402,124 thousand)	(2)	-	-	-	-	RMB25,320 (equivalent to NT$115,076 thousand)	52.20	RMB13,217 (equivalent to NT$60,070 thousand)	RMB90,779 (equivalent to NT$405,603 thousand)	-
SIYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US$368,340 (equivalent to NT$11,295,146 thousand)	(2)	US$67,585 (equivalent to NT$2,072,494 thousand)	-	RMB(4,091) (equivalent to NT$(18,279) thousand)	US$67,585 (equivalent to NT$2,072,494 thousand) RMB(4,091) (equivalent to NT$(18,279) thousand)	RMB780,904 (equivalent to NT$3,549,051 thousand)	72.00	RMB562,010 (equivalent to NT$2,554,221 thousand)	RMB3,121,272 (equivalent to NT$13,945,981 thousand)	US$27,009 (equivalent to NT$828,231 thousand) RMB4,091 (equivalent to NT$18,279 thousand)
CYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	US$4,100 (equivalent to NT$125,727 thousand)	(2)	US$2,023 (equivalent to NT$62,035 thousand)	-	-	US$2,023 (equivalent to NT$62,035 thousand)	RMB11,103 (equivalent to NT$50,460 thousand)	72.00	RMB7,994 (equivalent to NT$36,331 thousand)	RMB49,060 (equivalent to NT$219,203 thousand)	US$77 (equivalent to NT$2,361 thousand)
JYLTC	Transportation	RMB12,500 (equivalent to NT$55,851 thousand)	(2)	-	-	-	-	RMB5,167 (equivalent to NT$23,481 thousand)	70.12	RMB3,623 (equivalent to NT$16,465 thousand)	RMB24,154 (equivalent to NT$107,919 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, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018
					Outward	Inward						
HYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US$154,800 (equivalent to NT$4,746,942 thousand)	(2)	US$44,610 (equivalent to NT$1,367,966 thousand) RMB(5,356) (equivalent to NT$(23,931) thousand)	$ -	RMB(30,799) (equivalent to NT$(137,611) thousand)	US$44,610 (equivalent to NT$1,367,966 thousand) RMB(36,155) (equivalent to NT$(161,542) thousand)	RMB292,002 (equivalent to NT$1,327,089 thousand)	72.00	RMB210,241 (equivalent to NT$955,504 thousand)	RMB1,741,362 (equivalent to NT$7,780,483 thousand)	US$12,990 (equivalent to NT$398,338 thousand) RMB36,155 (equivalent to NT$161,542 thousand)
CYSPC	Slag powder	-	-	US$980 (equivalent to NT$30,052 thousand)	-	-	US$980 (equivalent to NT$30,052 thousand)	-	-	-	-	-
SYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	US$3,300 (equivalent to NT$101,195 thousand)	(2)	US$2,970 (equivalent to NT$91,075 thousand)	-	-	US$2,970 (equivalent to NT$91,075 thousand)	RMB15,096 (equivalent to NT$68,608 thousand)	72.00	RMB10,869 (equivalent to NT$49,398 thousand)	RMB25,863 (equivalent to NT$115,558 thousand)	-
SYTCL	Transportation	US$3,500 (equivalent to NT$107,328 thousand)	(2)	US$2,158 (equivalent to NT$66,175 thousand)	-	-	US$2,158 (equivalent to NT$66,175 thousand)	RMB1,606 (equivalent to NT$7,299 thousand)	72.00	RMB1,156 (equivalent to NT$5,255 thousand)	RMB28,313 (equivalent to NT$126,503 thousand)	US$992 (equivalent to NT$30,420 thousand)
YYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US$35,530 (equivalent to NT$1,089,527 thousand)	(2)	US$14,833 (equivalent to NT$454,854 thousand)	-	-	US$14,833 (equivalent to NT$454,854 thousand)	RMB32,957 (equivalent to NT$149,784 thousand)	72.00	RMB23,729 (equivalent to NT$107,844 thousand)	RMB264,000 (equivalent to NT$1,179,563 thousand)	US$1,016 (equivalent to NT$31,156 thousand)
HGYDC	Cement, slag powder and ready-mixed concrete (including cement - related products)	US$86,170 (equivalent to NT$2,642,403 thousand)	(2)	US$13,513 (equivalent to NT$414,376 thousand) RMB(4,090) (equivalent to NT$(18,274) thousand)	-	RMB(19,988) (equivalent to NT$(89,307) thousand)	US$13,513 (equivalent to NT$414,376 thousand) RMB(24,078) (equivalent to NT$(107,582) thousand)	RMB227,687 (equivalent to NT$1,034,790 thousand)	72.00	RMB163,935 (equivalent to NT$745,049 thousand)	RMB852,665 (equivalent to NT$3,809,744 thousand)	US$1,837 (equivalent to NT$56,332 thousand) RMB24,078 (equivalent to NT$107,582 thousand)
HYTCL	Transportation	RMB13,000 (equivalent to NT$58,085 thousand)	(2)	-	-	-	-	RMB(445) (equivalent to NT$(2,025) thousand)	72.00	RMB(321) (equivalent to NT$(1,458) thousand)	RMB13,236 (equivalent to NT$59,137 thousand)	-
WYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB60,000 (equivalent to NT$268,083 thousand)	(2)	-	-	-	-	RMB15,265 (equivalent to NT$69,378 thousand)	72.00	RMB10,991(equivalent to NT$49,952) thousand)	RMB48,386 (equivalent to NT$216,190 thousand)	-
WYXC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB90,000 (equivalent to NT$402,124 thousand)	(2)	-	-	-	-	RMB51,917 (equivalent to NT$235,950 thousand)	64.79	RMB(66,722) (equivalent to NT$(303,240) thousand)	RMB227,414 (equivalent to NT$1,016,094 thousand)	-
HZYCCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB30,000 (equivalent to NT$134,041 thousand)	(2)	-	-	-	-	RMB2,733 (equivalent to NT$12,421 thousand)	28.80	RMB787 (equivalent to NT$3,577 thousand)	RMB11,927 (equivalent to NT$53,289 thousand)	-
HXMC	Production and sales of limestone	RMB10,000 (equivalent to NT$44,680 thousand)	(2)	-	-	-	-	RMB4,562 (equivalent to NT$20,733 thousand)	28.80	RMB1,235 (equivalent to NT$5,614 thousand)	RMB3,871 (equivalent to NT$17,295 thousand)	-
WAMTC	Marine transportation	RMB35,500 (equivalent to NT$158,616 thousand)	(2)	-	-	-	-	RMB10,208 (equivalent to NT$46,392 thousand)	34.20	RMB3,475 (equivalent to NT$15,795 thousand)	RMB29,870 (equivalent to NT$133,459 thousand)	-
TZOCCL	Cement - related products	US$16,000 (equivalent to NT$490,640 thousand)	(2)	-	-	-	-	RMB(1,178) (equivalent to NT$(5,352) thousand)	72.00	RMB(806) (equivalent to NT$(3,661) thousand)	RMB51,968 (equivalent to NT$232,194 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, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018
					Outward	Inward						
SLCL	Cement, slag powder and ready-mixed concrete (including cement - related products)	RMB600,000 (equivalent to NT$2,680,826 thousand)	(2)	$ -	$ -	$ -	$ -	RMB323,124 (equivalent to NT$1,468,531 thousand)	72.00	RMB230,469 (equivalent to NT$1,047,433 thousand)	RMB1,105,426 (equivalent to NT$4,939,090 thousand)	$ -
SLCCL	Cement - related products	RMB20,000 (equivalent to NT$89,361 thousand)	(2)	-	-	-	-	RMB969 (equivalent to NT$4,403 thousand)	72.00	RMB698 (equivalent to NT$3,170 thousand)	RMB(14,652) (equivalent to NT$(65,465) thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
US$481,069 (Note 3) (equivalent to NT$14,751,981 thousand) RMB(194,615) (equivalent to NT$(869,548) thousand)	US$2,261,757 (equivalent to NT$69,356,778 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, 2018 accumulated investment in China Shanshui Cement Group Ltd which listed at HKEx for managing finance purpose was US$150,620 thousand included in Accumulated Outward Remittance for Investment in Mainland China.

Note 4: The Corporation obtained certificate No. 10620435220 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, 2018 the foreign currency amount of net income is expressed in New Taiwan dollars at average exchange rate for the year ended December 31, 2018

(Concluded)