Taiwan Cement Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2019 and 2018 and Independent Auditors' Review Report

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taiwan Cement Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Cement Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2019 and 2018, the related consolidated statements of comprehensive income, the related consolidated statements of changes in equity and cash flows for the three months then ended and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standard No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of March 31, 2019 and 2018, the combined total assets of these non-significant subsidiaries were NT$112,759,759 thousand and NT$77,374,032 thousand, respectively, representing 31% and 27%, respectively, of the Group's consolidated total assets, and the combined total liabilities of these non-significant subsidiaries as of March 31, 2019 and 2018 were NT$23,285,896 thousand and NT$15,975,898 thousand, respectively, representing 15% and 14%, respectively, of the Group's consolidated total liabilities; for the three months ended March 31, 2019 and 2018, the net comprehensive income of these subsidiaries were NT$337,388 thousand and NT$1,124,608 thousand, respectively, representing 3% and 13%, respectively, of the Group's consolidated comprehensive income.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of March 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting”.

The engagement partners on the reviews resulting in this independent auditors’ review report are Ya-Ling Wong and Chih-Ming Shao.

Ya-Ling Wong   Chih-Ming Shao

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 10, 2019

<u>*Notice to Readers*</u>

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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review 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’ review report and consolidated financial statements shall prevail.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2019 (Reviewed) Amount	%	December 31, 2018 (Audited) Amount	%	March 31, 2018 (Reviewed) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 57,474,854	16	$ 48,507,889	14	$ 24,192,833	9
Financial assets at fair value through profit or loss (Notes 4, 7 and 30)	520,052	-	549,838	-	550,256	-
Financial assets at fair value through other comprehensive income (Notes 4, 8, 30 and 32)	6,757,937	2	6,334,259	2	6,484,726	2
Financial assets at amortized cost (Notes 4, 6 and 32)	4,690,194	1	2,664,157	1	1,913,541	1
Notes receivable (Notes 4 and 9)	27,487,707	8	29,748,544	9	21,356,315	8
Accounts receivable (Notes 4, 9, 10 and 32)	8,339,604	2	8,216,174	2	6,719,856	3
Notes and accounts receivable from related parties (Notes 4 and 31)	264,638	-	271,618	-	205,855	-
Other receivables (Note 4)	917,227	-	955,814	-	520,820	-
Inventories (Notes 4, 11 and 33)	10,077,503	3	9,464,303	3	9,209,460	3
Prepayments (Note 18)	3,127,561	1	3,034,021	1	3,470,067	1
Other current assets (Note 31)	992,125	-	634,078	-	637,645	-
Total current assets	120,649,402	33	110,380,695	32	75,261,374	27
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Notes 4, 8, 30 and 32)	31,241,143	8	25,792,169	8	30,222,283	11
Investments accounted for using the equity method (Notes 4, 13 and 32)	47,175,766	13	46,247,974	13	8,855,843	3
Property, plant and equipment (Notes 4, 14, 24 and 32)	91,816,496	25	91,093,825	26	95,243,836	34
Right-of-use assets (Notes 4, 15, 24 and 31)	9,445,872	3	-	-	-	-
Investment properties (Notes 4, 16, 24 and 32)	6,339,107	2	6,344,460	2	6,376,977	2
Intangible assets (Notes 4, 17 and 24)	20,698,252	6	20,427,352	6	21,011,468	7
Prepayments for property, plant and equipment	3,107,116	1	2,624,195	1	2,555,577	1
Long-term lease receivables (Notes 4, 10 and 32)	-	-	30,951,796	9	32,193,176	11
Long-term finance lease receivables (Notes 4 and 10)	30,948,881	8	-	-	-	-
Net defined benefit assets (Note 4)	1,001,257	-	999,648	-	898,480	-
Long-term prepayments for leases (Note 18)	-	-	6,584,246	2	6,892,250	3
Other non-current assets (Notes 4 and 32)	3,101,739	1	2,638,758	1	3,577,320	1
Total non-current assets	244,875,629	67	233,704,423	68	207,827,210	73
TOTAL	$ 365,525,031	100	$ 344,085,118	100	$ 283,088,584	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Notes 19, 28 and 32)	$ 33,817,378	9	$ 26,226,051	8	$ 16,837,620	6
Short-term bills payable (Note 19)	7,591,289	2	7,402,214	2	5,467,299	2
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 30)	46,826	-	139,460	-	-	-
Contract liabilities	4,998,875	2	5,114,644	2	4,691,913	2
Notes and accounts payable (Note 31)	7,844,113	2	7,808,921	2	7,601,638	3
Other payables (Notes 21 and 33)	10,135,457	3	11,676,278	3	8,098,384	3
Other payables to related parties (Note 31)	8,407,103	2	6,892	-	4,475	-
Lease liabilities - current (Notes 4 and 15)	356,284	-	-	-	-	-
Current income tax liabilities (Note 4)	3,456,611	1	4,090,640	1	1,709,075	-
Long-term loans - current portion (Notes 19, 28 and 32)	78,667	-	1,923,945	1	8,754,600	3
Other current liabilities	132,850	-	114,799	-	192,476	-
Total current liabilities	76,865,453	21	64,503,844	19	53,357,480	19
NON-CURRENT LIABILITIES						
Bonds payable (Notes 4 and 20)	22,865,233	7	22,777,693	7	-	-
Long-term loans (Notes 19, 28 and 32)	18,977,703	5	24,631,973	7	52,047,073	18
Lease liabilities - non-current (Notes 4 and 15)	2,115,963	1	-	-	-	-
Deferred income tax liabilities (Note 4)	11,391,839	3	11,326,154	3	11,168,709	4
Long-term bills payable (Note 19)	22,476,017	6	22,476,880	7	-	-
Net defined benefit liabilities (Note 4)	93,249	-	210,515	-	206,439	-
Other non-current liabilities (Note 33)	583,613	-	778,603	-	547,013	-
Total non-current liabilities	78,503,617	22	82,201,818	24	63,969,234	22
Total liabilities	155,369,070	43	146,705,662	43	117,326,714	41
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE CORPORATION (Notes 4, 23 and 27)						
Share capital	53,080,599	14	53,080,599	15	42,465,090	15
Capital surplus	47,956,296	13	47,836,241	14	25,870,809	9
Retained earnings	65,540,562	18	61,588,761	18	51,870,788	18
Other equity	27,556,827	8	19,038,454	6	29,549,421	11
Treasury shares	(2,545)	-	(2,545)	-	(218,166)	-
Equity attributable to shareholders of the Corporation	194,131,739	53	181,541,510	53	149,537,942	53
NON-CONTROLLING INTERESTS (Notes 23 and 27)	16,024,222	4	15,837,946	4	16,223,928	6
Total equity	210,155,961	57	197,379,456	57	165,761,870	59
TOTAL	$ 365,525,031	100	$ 344,085,118	100	$ 283,088,584	100

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

(With Deloitte & Touche review report dated May 10, 2019)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 31)	$ 25,356,328	100	$ 24,179,214	100
OPERATING COSTS (Notes 4, 11, 22, 24 and 31)	18,868,464	74	18,388,574	76
GROSS PROFIT	6,487,864	26	5,790,640	24
OPERATING EXPENSES (Notes 22, 24 and 31)				
Marketing	214,283	1	190,675	1
General and administrative	1,229,682	5	940,892	4
Research and development	10,937	-	8,382	-
Total operating expenses	1,454,902	6	1,139,949	5
INCOME FROM OPERATIONS	5,032,962	20	4,650,691	19
NON-OPERATING INCOME AND EXPENSES				
Share of profit of associates and joint ventures (Notes 4 and 13)	448,149	2	414,507	2
Interest income (Note 4)	184,613	1	77,738	-
Other income	409,432	2	77,109	-
Net gain (loss) on disposal of property, plant and equipment	89,831	-	(8,751)	-
Finance costs (Notes 4 and 24)	(535,879)	(2)	(538,695)	(2)
Other expenses (Note 24)	(125,453)	(1)	(38,668)	-
Foreign exchange losses, net	(8,752)	-	(28,083)	-
Net gain on financial assets and liabilities at fair value through profit or loss	108,592	-	11,740	-
Total non-operating income and expenses	570,533	2	(33,103)	-
INCOME BEFORE INCOME TAX	5,603,495	22	4,617,588	19
INCOME TAX EXPENSE (Notes 4 and 25)	1,373,525	5	1,752,218	7
NET INCOME	4,229,970	17	2,865,370	12

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TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2019		2018	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
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 (Note 23)	$ 5,870,606	23	$ 2,949,966	12
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method (Note 23)	126,904	1	857	-
Income tax expense related to items that will not be reclassified subsequently to profit or loss (Note 25)	-	-	(7,433)	-
	5,997,510	24	2,943,390	12
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 23)	3,242,657	13	2,517,935	11
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Note 23)	(640,040)	(3)	50,081	-
Income tax expense related to items that may be reclassified subsequently to profit or loss (Notes 23 and 25)	-	-	(328)	-
	2,602,617	10	2,567,688	11
Other comprehensive income for the period	8,600,127	34	5,511,078	23
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 12,830,097	51	$ 8,376,448	35
NET INCOME ATTRIBUTABLE TO:				
Shareholders of the Corporation	$ 3,951,920	16	$ 2,945,170	12
Non-controlling interests	278,050	1	(79,800)	-
	$ 4,229,970	17	$ 2,865,370	12

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TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2019		2018	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the Corporation	$ 12,470,174	49	$ 8,436,811	35
Non-controlling interests	359,923	2	(60,363)	-
	$ 12,830,097	51	$ 8,376,448	35
EARNINGS PER SHARE (NT$, Note 26)				
Basic	$0.77		$0.63	
Diluted	$0.77		$0.63	

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

(With Deloitte & Touche review report dated May 10, 2019) (Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Corporation														
	Share Capital			Retained Earnings				Other Equity							
	Ordinary Shares	Preferred Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2018	$ 42,465,090	$ -	$ 25,739,065	$ 14,025,109	$ 13,049,635	$ 21,944,766	$ 49,019,510	$ (790,475)	$ 19,915,014	$ -	$ -	$ -	$ 136,348,204	$ 16,299,012	$ 152,647,216
Adjustments on initial application of IFRS 9	-	-	-	-	-	654,005	654,005	-	(19,915,014)	24,158,871	-	-	4,897,862	16,365	4,914,227
BALANCE, JANUARY 1, 2018 AFTER THE IMPACT OF RETROSPECTIVE APPLICATION OF IFRS 9	42,465,090	-	25,739,065	14,025,109	13,049,635	22,598,771	49,673,515	(790,475)	-	24,158,871	-	-	141,246,066	16,315,377	157,561,443
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,581)	(23,581)
Net income for the three months ended March 31, 2018	-	-	-	-	-	2,945,170	2,945,170	-	-	-	-	-	2,945,170	(79,800)	2,865,370
Other comprehensive income (loss) for the three months ended March 31, 2018	-	-	-	-	-	(7,605)	(7,605)	2,564,627	-	2,934,619	-	-	5,491,641	19,437	5,511,078
Total comprehensive income for the three months ended March 31, 2018	-	-	-	-	-	2,937,565	2,937,565	2,564,627	-	2,934,619	-	-	8,436,811	(60,363)	8,376,448
Organization restructuring	-	-	-	-	-	(58,513)	(58,513)	-	-	-	-	-	(58,513)	(49,150)	(107,663)
Differences between the consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	131,744	-	-	-	-	-	-	-	-	-	131,744	41,645	173,389
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(681,779)	(681,779)	-	-	681,779	-	-	-	-	-
Reversal of special reserve recognized from asset disposals	-	-	-	-	(243)	243	-	-	-	-	-	-	-	-	-
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-	(218,166)	(218,166)	-	(218,166)
BALANCE, MARCH 31, 2018	$ 42,465,090	$ -	$ 25,870,809	$ 14,025,109	$ 13,049,392	$ 24,796,287	$ 51,870,788	$ 1,774,152	$ -	$ 27,775,269	$ -	$ (218,166)	$ 149,537,942	$ 16,223,928	$ 165,761,870
BALANCE, JANUARY 1, 2019	$ 51,080,599	$ 2,000,000	$ 47,836,241	$ 14,784,534	$ 13,049,062	$ 33,755,165	$ 61,588,761	$ (5,037,221)	$ -	$ 24,074,566	$ 1,109	$ (2,545)	$ 181,541,510	$ 15,837,946	$ 197,379,456
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,217)	(21,217)
Net income for the three months ended March 31, 2019	-	-	-	-	-	3,951,920	3,951,920	-	-	-	-	-	3,951,920	278,050	4,229,970
Other comprehensive income (loss) for the three months ended March 31, 2019	-	-	-	-	-	(119)	(119)	2,573,536	-	5,944,552	285	-	8,518,254	81,873	8,600,127
Total comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	3,951,801	3,951,801	2,573,536	-	5,944,552	285	-	12,470,174	359,923	12,830,097
Differences between consideration received and the carrying amount of subsidiaries' net assets during actual disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	(152,430)	(152,430)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	120,055	-	-	-	-	-	-	-	-	-	120,055	-	120,055
BALANCE, MARCH 31, 2019	$ 51,080,599	$ 2,000,000	$ 47,956,296	$ 14,784,534	$ 13,049,062	$ 37,706,966	$ 65,540,562	$ (2,463,685)	$ -	$ 30,019,118	$ 1,394	$ (2,545)	$ 194,131,739	$ 16,024,222	$ 210,155,961

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

(With Deloitte & Touche review report dated May 10, 2019)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 5,603,495	$ 4,617,588
Adjustments for:		
Depreciation expenses	1,660,066	1,532,636
Amortization expenses	93,764	100,323
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(108,592)	(11,740)
Finance costs	535,879	538,695
Interest income	(184,613)	(77,738)
Share of profit of associates and joint ventures	(448,149)	(414,507)
Loss (gain) on disposal of property, plant and equipment, net	(89,831)	8,751
Gain on disposal of investments, net	(114,717)	-
Reversal of write-downs of inventories	(30,440)	(11,452)
Unrealized loss (gain) on foreign exchange, net	(1,277)	119,124
Others	-	56,986
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	45,796	-
Notes receivable	3,017,884	(1,852,929)
Accounts receivable	(115,069)	345,899
Notes and accounts receivable from related parties	7,938	17,305
Other receivables	3,522	242,088
Other receivables from related parties	(11,757)	(35,583)
Inventories	(444,615)	(962,681)
Prepayments	(321,139)	(605,551)
Other current assets	(369,001)	(100,656)
Contract liabilities	(197,021)	183,867
Notes and accounts payable	(75,622)	(86,128)
Other payables	(1,515,836)	(397,749)
Other payables to related parties	1,798	(3,013)
Other current liabilities	18,053	43,671
Net defined benefit liabilities	(118,875)	(6,101)
Cash generated from operations	6,841,641	3,241,105
Income tax paid	(1,942,824)	(1,008,091)
Net cash generated from operating activities	4,898,817	2,233,014
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(203,845)
Purchase of financial assets at amortized cost	(1,655,132)	(543,411)
Acquisition of investments accounted for using the equity method	(943,391)	(470,073)

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TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2019	2018
Payments for property, plant and equipment	$ (1,483,673)	$ (1,115,614)
Proceeds from disposal of property, plant and equipment	372,865	15,492
Payments for intangible assets	(3,350)	(43,560)
Decrease in long-term lease receivables	-	232,408
Decrease in finance lease receivables	2,915	-
Increase in other non-current assets	(876,769)	(803,182)
Interest received	205,282	76,785
Dividends received	70,668	89,548
Net cash used in investing activities	(4,310,585)	(2,765,452)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term loans	7,590,533	(3,308,074)
Increase in long-term loans	1,117,005	13,600,000
Repayments of long-term loans	(8,662,690)	(8,947,261)
Increase (decrease) in short-term bills payable	189,075	(2,524,118)
Increase in other payables to related parties	8,398,413	-
Repayments of the principal portion of lease liabilities	(96,539)	-
Decrease in other non-current liabilities	(195,789)	(63,896)
Cash dividends paid	(21,217)	(23,581)
Payments for buy-back of treasury shares	-	(218,166)
Acquisition of subsidiaries	-	(160,438)
Partial disposal of interests in subsidiaries without a loss of control	-	211,762
Interest paid	(565,312)	(532,391)
Net cash generated from (used in) financing activities	7,753,479	(1,966,163)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	625,254	360,216
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,966,965	(2,138,385)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	48,507,889	26,331,218
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 57,474,854	$ 24,192,833

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

(With Deloitte & Touche review report dated May 10, 2019) (Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

Taiwan Cement Corporation (the "Corporation") was incorporated in 1946 and restructured as a corporation in 1951, which was jointly operated by the Ministry of Economics Resource Committee and the Taiwan Provincial Government. In 1954, the Corporation was privatized as a result of the Taiwan government's land reform program, land-to-the-tiller policy. The Corporation engages in the manufacture and marketing of cement, cement-related products and ready-mixed concrete. The Corporation's shares have been listed on the Taiwan Stock Exchange since February 1962.

The consolidated financial statements of the Corporation and its subsidiaries, collectively referred to as the "Group", are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on May 10, 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 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:

   <u>IFRS 16 "Leases"</u>

   IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

   <u>Definition of a lease</u>

   The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents 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 are classified within financing activities; cash payments for the interest portion are classified within financing activities. Prior to the application of IFRS 16, payments under operating lease contracts were recognized as expenses on a straight-line basis. Prepaid lease payments for land use rights in China were recognized as prepayments for leases. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows. Leased assets and finance lease payables were recognized on the consolidated balance sheets for contracts classified as finance leases.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at either an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments, or their carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the aforementioned incremental borrowing rate. The Group applies IAS 36 to all right-of-use assets.

The Group also applies the following practical expedients:

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

2) The Group accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

3) The Group excludes initial direct costs from the measurement of right-of-use assets on January 1, 2019.

4) The Group uses hindsight, such as in determining lease terms, to measure lease liabilities.

For leases previously classified as finance leases under IAS 17, the carrying amounts of right-of-use assets and lease liabilities on January 1, 2019 are determined as at the carrying amounts of the respective leased assets and finance lease payables on December 31, 2018.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 was 1.9%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 3,468,483
Less: Recognition exemption for short-term leases	(364,039)
Less: Recognition exemption for leases of low-value assets	(852)
Undiscounted amounts on January 1, 2019	$ 3,103,592
Discounted amounts using the incremental borrowing rate on January 1, 2019	$ 2,523,403
Add: Finance lease liabilities on December 31, 2018	-
Lease liabilities recognized on January 1, 2019	$ 2,523,403

The Group as lessor

The Group does not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

The impact on assets and liabilities as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	As Originally Stated on January 1, 2019	**Adjustments Arising from Initial Application**	**Restated on January 1, 2019**
Lease receivables - non-current	$ 30,951,796	$ (30,951,796)	$ -
Finance lease receivables - non-current	-	30,951,796	30,951,796
Prepayments	3,034,021	(228,205)	2,805,816
Other current assets	634,078	(23,118)	610,960
Prepayments for leases - non-current	6,584,246	(6,584,246)	-
Right-of-use assets	-	9,358,972	9,358,972
Total effect on assets	$ 41,204,141	$ 2,523,403	$ 43,727,544
Lease liabilities - current	$ -	$ 336,878	$ 336,878
Lease liabilities - non-current	-	2,186,525	2,186,525
Total effect on liabilities	$ -	$ 2,523,403	$ 2,523,403

b. The New IFRSs issued by IASB but not yet endorsed and issued into effect by FSC

New IFRSs	**Effective Date Issued 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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The disclosed information included in these interim consolidated financial statements is less than the disclosed information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 on the basis of the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, 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 on an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents, unless an asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

The Group engages in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation.

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 or 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 Group.

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 Group's interests and the non-controlling interests are adjusted to reflect the changes in its 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.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate.

Refer to Note 12 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

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

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

For each business combination, the Group measures the non-controlling interests at either fair value or the share in the recognized amounts of the acquiree's identifiable net assets. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets, in the event of liquidation, may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

When a business combination is achieved in stages, the Group's previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required if those interests were directly disposed of by the Group.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

In preparing the financial statements of each individual group 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 except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

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, and in which case, the exchange differences are also recognized directly in other comprehensive income.

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

For the purpose of presenting consolidated financial statements, the functional currencies of the Corporation and the group entities (including subsidiaries, associates and joint ventures in other countries that use currencies that 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; 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 (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

g. 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 at the end of the reporting period.

h. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. 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 joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint ventures.

Any excess of the cost of an acquisition over the Group's share of the 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 the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate 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 that 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 the Group's share of equity of associates and joint ventures. 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 by using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

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 not allocated to any asset, including goodwill, that forms part of 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 its initial recognition as a financial asset. The difference between the previous carrying amount of the associate and 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 had that associate 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 a group entity transacts with its associate and joint venture, profit and loss resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent that interests in the associate and the joint venture are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are initially stated and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Freehold land is not depreciated.

Depreciation of property, plant and equipment (including assets held under finance leases) is recognized using the straight-line method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. 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 the estimates 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.

j. Investment properties

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

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

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.

k. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of the 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 whenever 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 or groups of cash-generating units was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit or groups of cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation that is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Intangible assets

1) Intangible assets acquired separately

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 lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

When the Group has a right to charge for usage of concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it is initially recognized as an intangible asset at its fair value. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

2) Intangible assets acquired in a business combination

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

3) Derecognition of intangible assets

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.

m. 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, in order 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. Group 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.

Intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

When an impairment loss is subsequently reversed, the carrying amount of an asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization expenses or depreciation expenses) 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.

n. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale.

When the Group is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate or a joint venture, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. If the Group ceases to have significant influence or joint control over the investment after the disposal takes place, the Group accounts for any retained interest that has not been classified as held for sale in accordance with the accounting policies for financial instruments.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

When a subsidiary, joint venture, associate, or a portion of an interest in a joint venture or an associate previously classified as held for sale no longer meets the criteria to be so classified, it is measured at the carrying amount that would have been recognized had such interests not been classified as held for sale. The consolidated financial statements for the periods since classification as held for sale are amended accordingly.

o. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or 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.

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on their remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 30.

ii. Financial assets at amortized cost

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

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

ii) 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 and trade receivables at amortized cost, are measured at amortized cost, which equals 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 a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits and bonds with repurchase agreements 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.

iii. 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 as 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 investments.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable), lease receivables, as well as contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable and lease receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss 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.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except for financial liabilities at FVTPL, all financial liabilities are carried at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when such a financial liability is either held for trading or is designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 30.

A financial liability may be designated as at FVTPL upon initial recognition when doing so results in more relevant information and if:

i. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii. The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii. The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at FVTPL.

For a financial liability designated as at fair value through profit or loss, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability is recognized in profit or loss. The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when such financial liabilities are derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in fair value of the liability are presented in profit or loss.

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.

4) 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 equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

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

p. Hedge accounting

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

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

q. Revenue recognition

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

1) Revenue from the sale of goods is recognized when the goods are delivered to customer' specific location and the ownership of the goods is transferred to customer.

2) Service income is recognized by reference to the stage of completion of the contract or when services are provided. Freight revenue is recognized by reference to the proportion of the voyage period.

3) Revenue from electric power is calculated according to the volume of electric power sold and the energy rate.

r. Leases

<u>2019</u>

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Group as lessor

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

Under finance leases, the lease payments comprise in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

2018

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The lease component of all electric power selling contracts identified in accordance with IFRC 4 "Determining Whether an Arrangement Contains a Lease" is classified as a finance lease.

1) 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.

2) The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Finance expenses implicit in lease payments for each period are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, and in which case they are capitalized.

Operating lease payments are recognized as expenses on a straight-line basis over the related lease terms.

s. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than the above-stated, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

t. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. 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. Relevant grants of an asset are recognized as deferred revenue or a reduction of the asset's cost on a straight-line basis.

u. Employee benefits

1) 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.

2) Retirement benefits

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

Pension costs for an interim period are calculated on a year-to-date basis by using the respective actuarially determined annual pension cost discount rate which is the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for a defined benefit plan except that remeasurement is recognized in profit or loss.

v. Share-based payment arrangements

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees and treasury shares transferred to employees is the date on which the number of shares that the employees purchase is confirmed.

w. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income tax is assessed on an annual basis and calculated by applying to an interim period’s pre-tax income the tax rate that would be applicable to the expected total annual earnings. The effect of a change in tax rate resulting from a change in the tax law is consistently recognized with the accounting for the transaction itself which gives rise to the tax consequence, and is recognized in profit or loss and other comprehensive income in full in the period in which the change in tax rate occurs.

1) Current tax

According to Income Tax Law, an additional tax on unappropriated earnings is provided for 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.

2) Deferred tax

Deferred tax is recognized on temporary differences between the consolidated financial statement carrying amounts of assets and liabilities 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, unused loss carryforwards and unused tax credits for research and development expenditures to the extent that it is probable that taxable profit 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, associates and 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. For deferred tax assets arising from deductible temporary differences associated with such investments and equity, the interests are only recognized to the extent that it is probable that there will be sufficient taxable profit 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 profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are 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.

3) Current and deferred taxes for the reporting period

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, and in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, 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 revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Impairment of goodwill

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

b. Impairment of property, plant and equipment

The impairment loss of property, plant and equipment in relation to production was based on the recoverable amounts of those assets, which are the higher of their fair value less costs of disposal and their value in use. Any changes in the market prices or future cash flows will affect the recoverable amounts of those assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	March 31, 2019	December 31, 2018	March 31, 2018
Cash on hand	$ 9,171	$ 9,364	$ 7,644
Checking accounts and demand deposits	35,163,049	21,245,130	12,761,564
Cash equivalents			
Time deposits with original maturities of less than 3 months	21,413,483	26,914,519	10,169,770
Bonds with repurchase agreements	889,151	338,876	1,253,855
	$ 57,474,854	$ 48,507,889	$ 24,192,833

The market rate intervals of cash in banks and bonds with repurchase agreements at the end of the reporting period were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Cash in banks	0.01%-3.90%	0.0%1-3.00%	0.01%-2.60%
Bonds with repurchase agreements	0.43%-2.72%	0.31%-2.90%	0.34%-2.00%

As of March 31, 2019, December 31, 2018 and March 31, 2018, time deposits with original maturities of more than 3 months were $4,411,385 thousand, $2,382,467 thousand and $1,522,832 thousand, respectively, which were classified to financial assets at amortized cost.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2019	December 31, 2018	March 31, 2018
Financial assets mandatorily classified as at FVTPL - current			
Non-derivative financial assets			
Domestic listed shares	$ 240,828	$ 220,787	$ 229,625
Domestic emerging market shares	82,116	85,780	90,259
Mutual funds	197,108	243,271	230,372
	$ 520,052	$ 549,838	$ 550,256

(Continued)

	March 31, 2019	December 31, 2018	March 31, 2018
Financial liabilities at FVTPL - current			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Redemption options and put options of convertible bonds	$ 46,826	$ 139,460	$ -

(Concluded)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2019	December 31, 2018	March 31, 2018
Current			
Domestic investments			
Listed shares	$ 6,704,509	$ 6,282,884	$ 6,484,726
Preference shares	53,428	51,375	-
	$ 6,757,937	$ 6,334,259	$ 6,484,726
Non-current			
Domestic investments			
Listed shares	$ -	$ -	$ 3,680,555
Unlisted shares	6,208,042	5,865,710	5,567,694
	6,208,042	5,865,710	9,248,249
Foreign investments			
Listed shares	25,033,101	19,926,459	20,964,595
Unlisted shares	-	-	9,439
	25,033,101	19,926,459	20,974,034
	$ 31,241,143	$ 25,792,169	$ 30,222,283

For the year ended December 31, 2018, the Group paid $673,918 thousand and $3,060,365 thousand to acquire shares of E-ONE Moli Energy Corporation and International CSRC Investment Holdings Co., Ltd., respectively, and increased the Group's percentage of ownership from 15.1% to 29.9% and 12.5% to 19.2%, respectively. With a significant impact on the investee, the original investments previously recognized as financial assets at FVTOCI were considered as disposed of and reclassified to investments accounted for using the equity method. For the year ended December 31, 2018, the Group paid $51,375 thousand to acquire preference shares of O-Bank Co., Ltd.

Refer to Note 32 for information relating to investments in equity instruments at FVTOCI pledged as collateral for credit accommodations.

9. NOTES AND ACCOUNTS RECEIVABLE

	March 31, 2019	December 31, 2018	March 31, 2018
Notes receivable	$ 27,497,477	$ 29,759,920	$ 21,368,835
Accounts receivable	8,381,177	8,255,737	6,850,313
Less: Allowance for impairment loss	(51,343)	(50,939)	(142,977)
	$ 35,827,311	$ 37,964,718	$ 28,076,171

The Group recognizes allowance for impairment loss on account receivable on the basis of individual customers for which credit losses have actually taken place. Moreover, the Group separates all customers into different segments based on their risks and determines their expected credit loss rates by reference to past default experience with the counterparties and analysis of their current financial positions. The Group recognizes an allowance for impairment loss of 100% against past due receivables which have an indication of impairment.

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

The aging analysis of receivables was as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Up to 90 days	$ 19,763,958	$ 23,527,413	$ 16,309,343
91-180 days	14,880,564	12,394,387	10,924,254
181-365 days	1,161,528	2,009,676	762,575
Over 365 days	21,261	33,242	79,999
	$ 35,827,311	$ 37,964,718	$ 28,076,171

The above aging schedule was based on the number of days past due from the invoice date.

The movements of the allowance for doubtful notes and accounts receivable were as follows:

	For the Three Months Ended March 31	
	2019	2018
Balance at January 1	$ 50,939	$ 142,242
Add: Net remeasurement of loss allowance	1,623	(1,059)
Less: Amounts written off	(1,325)	-
Foreign exchange gains and losses	106	1,794
Balance at March 31	$ 51,343	$ 142,977

10. FINANCE LEASE RECEIVABLES

2019

	March 31, 2019
Undiscounted lease payments	
Year 1	$ 4,674,105
Year 2	5,638,452
Year 3	5,399,213
Year 4	5,174,363
Year 5	6,177,297
Year 6 onwards	26,117,649
	53,181,079
Less: Unearned finance income	20,940,026
Less: Accumulated impairment	47,878
Net investment in leases presented as finance lease receivables	$ 32,193,175
Current (included in accounts receivable)	$ 1,244,294
Non-current	30,948,881
	$ 32,193,175

2018

	December 31, 2018	March 31, 2018
Not later than 1 year	$ 5,040,945	$ 4,860,646
Later than 1 year and not later than 5 years	21,692,882	20,886,133
Later than 5 years	27,423,395	32,294,947
	54,157,222	58,041,726
Less: Unearned finance income	21,683,760	24,549,036
Less: Accumulated impairment	47,878	47,878
Present value of minimum lease payments	$ 32,425,584	$ 33,444,812
Current (included in accounts receivable)	$ 1,473,788	$ 1,251,636
Non-current	30,951,796	32,193,176
	$ 32,425,584	$ 33,444,812

The Group’s electric power selling contracts with guaranteed power generation periods are classified as finance lease arrangements and the term entered into was 25 years. The interest rate inherent in the lease was fixed at the contract date for the entire lease term. The interest rate inherent in the finance lease was approximately 11.18%.

Refer to Note 32 for information relating to finance lease receivables pledged as collateral for bank borrowings, which were recorded under property, plant and equipment before transitioning to IFRSs (which were recorded under lease receivables in 2018 and finance lease receivables in 2019 after transitioning to IFRSs).

11. INVENTORIES

	March 31, 2019	December 31, 2018	March 31, 2018
Finished goods	$ 2,813,188	$ 2,624,617	$ 1,939,189
Work in process	1,671,275	1,322,979	1,451,848
Raw materials	5,593,040	5,516,707	5,818,423
	$ 10,077,503	$ 9,464,303	$ 9,209,460

The costs of inventories recognized as cost of goods sold for the three months ended March 31, 2019 and 2018 were $17,291,381 thousand and $17,141,010 thousand, respectively. The cost of goods sold included reversal of write-down of inventory as follows:

	For the Three Months Ended March 31	
	2019	2018
Reversal of write-down of inventory	$ 30,440	$ 11,452

The recovery of inventories' net realizable values was mainly due to the rebound in market price.

Refer to Note 33 for information relating to bills of lading pledged as collateral for bank borrowings.

12. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The consolidated financial statements include subsidiaries as follows:

Investor	Investee	Main Business	Proportion of Ownership (%) March 31, 2019	December 31, 2018	March 31, 2018	Remark
Taiwan Cement Corporation	Taiwan Transport & Storage Corporation	Warehousing, transportation and sale of sand and gravel	83.9	83.9	83.9	
	TCC Investment Corporation	Investment	100.0	100.0	100.0	
	Kuan-Ho Refractories Industry Corporation	Production and sale of refractory materials	95.3	95.3	95.3	
	Hong Kong Cement Manufacturing Co., Ltd. ("HKCMCL")	Investment holding	84.7	84.7	84.7	
	Ta-Ho Maritime Corporation	Marine transportation	64.8	64.8	64.8	15)
	Taiwan Cement Engineering Corporation	Engineering services	99.0	99.0	99.0	
	TCC Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	4)
	TCC Chemical Corporation	Leasing property and energy technology services	100.0	100.0	100.0	5)
	TCC Information Systems Corporation	Information software design	99.4	99.4	99.4	
	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	40.0	40.0	46.9	2), 8), 15)
	Tung Chen Mineral Corporation	Afforestation and sale of limestone	99.5	99.5	99.5	
	Jin Chang Minerals Corporation	Afforestation and sale of limestone	100.0	100.0	100.0	
	Hoping Industrial Port Corporation	Hoping Industrial Port management	100.0	100.0	100.0	15)
	TCC International Ltd. ("TCCI")	Investment holding	100.0	100.0	100.0	9), 15)
	Ho-Ping Power Company	Thermal power generation	59.5	59.5	59.5	15)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%) March 31, 2019	December 31, 2018	March 31, 2018	Remark
	Ta-Ho Taitung Environment Co., Ltd.	Waste collection and treatment	100.0	100.0	100.0	
	HPC Power Service Corporation	Business consulting	60.0	60.0	60.0	
	E.G.C. Cement Corporation	Sale of cement	50.6	50.6	50.6	
	Feng Sheng Enterprise Company Limited	Sale of ready-mixed concrete	45.4	45.4	45.4	8)
	Trans Philippines Mineral Corporation ("TPMC")	Mining excavation	40.0	40.0	40.0	8)
	Taicorn Minerals Corporation ("TMC")	Mining excavation	72.7	72.7	72.7	
	Ta-Ho RSEA Environment Co., Ltd.	Waste collection and treatment	66.6	66.6	66.6	
	Ho Sheng Mining Co., Ltd.	Mining excavation and sale of limestone	100.0	100.0	100.0	
	TCC International Holdings Ltd. ("TCCIH")	Investing holding	38.3	38.3	24.1	9)
	Taiwan Cement (Dutch) Holdings B.V.	Investing holding	100.0	100.0	-	12)
Taiwan Transport & Storage Corporation	E.G.C. Cement Corporation	Sale of cement	49.4	49.4	44.4	2)
	Ho Swen Construction Material Co., Ltd.	Sand and gravel filtering and sale	-	-	51.0	3)
	Ta-Ho Maritime Corporation	Marine transportation	29.2	29.2	29.2	1), 2), 15)
TCC Investment Corporation	Union Cement Traders Inc.	Import and export trading	100.0	100.0	100.0	
	Ho-Ping Power Company	Thermal power generation	0.5	0.5	0.5	15)
	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	0.2	0.2	0.2	2), 8), 15)
	Ta-Ho Maritime Corporation	Marine transportation	-	-	-	15)
HKCMCL	TCC Development Ltd.	Property leasing	100.0	100.0	100.0	
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Investment	100.0	100.0	100.0	
Taiwan Cement Engineering Corporation	TCEC Corporation	Investment	-	-	100.0	10)
	TCEC (Yingde) Machine Co., Ltd.	Production and sale of cement machinery and assembly work	100.0	100.0	-	10)
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Investment	100.0	100.0	100.0	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	2.3	2.3	2.3	8), 15)
TCCI	TCCIH	Investment holding	61.7	61.7	75.9	9), 15)
Feng Sheng Enterprise Company Limited	Ho Swen Construction Material Co., Ltd.	Sand and gravel filtering and sale	-	-	9.0	3)
TPMC	TMC	Mining excavation	18.2	18.2	18.2	
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Warehousing, transportation and sale of sand and gravel	0.7	0.7	0.7	
Ho-Ping Power Company	Ho-Ping Renewable Energy Company	Renewable energy generation	100.0	100.0	-	6)
TCC Green Energy Corporation	Chang-Wang Wind Power Co., Ltd.	Renewable energy generation	100.0	100.0	-	7)
	TCC Nan-Chung Green Energy Corporation	Renewable energy generation	100.0	100.0	-	7)
	TCC Kao-Cheng Green Energy Corporation	Renewable energy generation	100.0	100.0	-	7)
	TCC Chang-Ho Green Energy Corporation	Renewable energy generation	100.0	100.0	-	7)
	TCC Chia-Chien Green Energy Corporation	Renewable energy generation	100.0	100.0	-	7)
	TCC Yun-Kai Green Energy Corporation	Renewable energy generation	100.0	100.0	-	7)
	TCC Lien-Hsin Green Energy Corporation	Renewable energy generation	100.0	100.0	-	7)
Ta-Ho Maritime Holdings Ltd.	Ta-Ho Maritime (Hong Kong) Limited	Marine transportation	100.0	100.0	100.0	
	THC International S.A.	Marine transportation	100.0	100.0	100.0	
	Chi Ho Maritime S.A.	Marine transportation	100.0	100.0	100.0	
	Sheng Ho Maritime S.A.	Marine transportation	100.0	100.0	100.0	
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Marine transportation	100.0	100.0	100.0	
TCEC Corporation	TCEC (Yingde) Machine Co., Ltd.	Production and sale of cement machinery and assembly work	-	-	100.0	10)
Taicem Information (Samoa) Pte., Ltd.	Fuzhou TCC Information Technology Co., Ltd.	Software product and equipment maintenance	100.0	100.0	100.0	
Ta-Ho Maritime (Hong Kong) Limited	Da Tong (Guigang) International Logistics Co., Ltd.	Logistics and transportation	100.0	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%) March 31, 2019	December 31, 2018	March 31, 2018	Remark
Da Tong (Guigang) International Logistics Co., Ltd.	Da Tong (Ying De) Logistics Co., Ltd.	Logistics and transportation	100.0	100.0	100.0	
	Guigang Da-Ho Shipping Co., Ltd.	marine transportation	100.0	100.0	100.0	
TCCIH	Chia Hsin Cement Greater China Holding Corporation	Investment holding	100.0	100.0	100.0	
	Upper Value Investment Limited	Investment holding	100.0	100.0	100.0	
	Upper Value Investments Ltd. (“UPPV”)	Investment holding	100.0	100.0	100.0	15)
	TCC Hong Kong Cement (BVI) Holdings Ltd.	Investment holding	100.0	100.0	100.0	15)
	Ulexite Investments Ltd.	Investment holding	100.0	100.0	100.0	
Upper Value Investment Limited	Prime York Ltd.	Investment holding	100.0	100.0	100.0	
	Prosperity Minerals (International) Ltd.	Investment holding	100.0	100.0	100.0	
TCC Hong Kong Cement (BVI) Holdings Ltd.	TCC Hong Kong Cement Development Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (QHC) Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (Yargoon) Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (HKC) Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (Philippines) Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (International) Ltd.	Investment holding	100.0	100.0	100.0	15)
	Hong Kong Cement Company Limited (“HKCCL”)	Sale of cement	100.0	100.0	100.0	
TCC Hong Kong Cement (QHC) Ltd.	Chiefolk Company Ltd.	Investment holding	70.0	70.0	70.0	
Chiefolk Company Ltd.	TCC International (Liuzhou) Ltd.	Investment holding	100.0	100.0	100.0	
TCC International (Liuzhou) Ltd.	TCC Liuzhou Company Ltd.	Investment holding	100.0	100.0	100.0	
TCC Liuzhou Company Ltd.	TCC Liuzhou Construction Materials Co., Ltd.	Manufacturing and sale of slag powder	60.0	60.0	60.0	
TCC Hong Kong Cement (HKC) Ltd.	Koning Concrete Ltd.	Investment holding	-	-	100.0	11)
TCC Hong Kong Cement (Philippines) Ltd.	TCC Cement Corp.	Cement processing services	100.0	100.0	100.0	
TCC Hong Kong Cement (International) Ltd.	TCC International (Hong Kong) Co., Ltd. (“TCCI (HK)”)	Investment holding	100.0	100.0	100.0	15)
TCCI (HK)	TCC Guigang Mining Industrial Company Limited	Mining excavation	52.5	52.5	52.5	
	Jiangsu TCC Investment Co., Ltd.	Investment holding	100.0	100.0	100.0	
	Jingyang Industrial Limited	Investment holding	100.0	100.0	100.0	
	TCC International (Guangxi) Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Shaoguan Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Yingde Mining Industrial Company Limited	Mining excavation	48.9	48.9	48.9	
	TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	15)
	TCC Jiangsu Mining Industrial Company Limited	Mining excavation	100.0	100.0	100.0	
	TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facility	100.0	100.0	100.0	
	TCC (Dong Guan) Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Huaihua Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	15)
	Anhui King Bridge Cement Co., Ltd.	Manufacturing and sale of cement	-	60.0	60.0	11)
Jiangsu TCC Investment Co., Ltd.	Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	21.5	21.5	21.5	15)
Jingyang Industrial Limited	Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	78.5	78.5	78.5	15)
TCC International (Guangxi) Ltd.	TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	15)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%) March 31, 2019	December 31, 2018	March 31, 2018	Remark
TCC (Gui Gang) Cement Ltd.	TCC Huaying Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Guigang Mining Industrial Company Limited	Mining excavation	47.5	47.5	47.5	
	Guigang TCC Dong Yuan Environmental Technology Company Limited	Dangerous waste treatment	95.2	95.2	-	13)
TCC Yingde Cement Co., Ltd.	TCC Yingde Mining Industrial Company Limited	Mining excavation	34.8	34.8	34.8	
	Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	25.0	25.0	25.0	
	Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	10.0	
	Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	10.0	
	Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	10.0	
	Bejing TCC Environmental Technology Co. Ltd.	Technology development, enterprise management and sales	100.0	-	-	14)
	TCC (Hangzhou) Enviromental Protection Technology Co., Ltd.	Environmental protection, cement and enterprise management consulting	100.0	-	-	14)
TCC Jiangsu Mining Industrial Company Limited	TCC Yingde Mining Industrial Company Limited	Mining excavation	16.3	16.3	16.3	
TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Huaihua Concrete Company Limited	Sale of ready-mixed concrete	100.0	100.0	100.0	
Ulexite Investments Ltd.	HKC Investments Ltd.	Investment holding	100.0	100.0	100.0	
UPPV	Wayly Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	TCC International (China) Co., Ltd.	Investment holding	100.0	100.0	100.0	
	Kong On Cement Holdings Ltd.	Investment holding	65.0	65.0	65.0	
	Mega East Ltd.	Investment holding	100.0	100.0	100.0	
	Prosperity Minerals (China) Ltd.	Investment holding	100.0	100.0	100.0	
	Sure Kit Ltd.	Investment holding	100.0	100.0	100.0	
	Hensford Ltd.	Investment holding	100.0	100.0	100.0	
	Kiton Ltd.	Investment holding	100.0	100.0	100.0	
	Prosperity Cement Investment Ltd.	Investment holding	100.0	100.0	100.0	
	Scitus Cement (China) Holdings Ltd. ("Scitus Holdings")	Investment holding	100.0	100.0	100.0	
Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	
TCC International (China) Co., Ltd.	TCC New (Hangzhou) Management Company Limited	Operation management	100.0	100.0	100.0	
Kong On Cement Holdings Ltd.	Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
Mega East Ltd.	TCC Guangan Cement Company Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	
Sure Kit Ltd.	TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	15)
Hensford Ltd.	TCC Anshun Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	15)
Kiton Ltd.	TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
Prosperity Cement Investment Ltd.	Yingde Dragon Mountain Cement Co, Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	15)
TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Filtering of sand and gravel and sale of ready-mixed concrete	100.0	100.0	100.0	
TCC (Hangzhou) Enviromental Protection Technology Co., Ltd.	Kaili TCC Environment Technology Co., Ltd	Waste collection and treatment	100.0	-	-	14)
Scitus Holdings	Scitus Cement (China) Operating Co., Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon XIV Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon XIII Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon IX Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon VIII Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon V Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon IV Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon III Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon II Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon Holdings Ltd.	Investment holding	100.0	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%) March 31, 2019	December 31, 2018	March 31, 2018	Remark
Hexagon IX Holdings Ltd.	Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	90.0	
Hexagon IV Holdings Ltd.	Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	90.0	
Hexagon III Holdings Ltd.	Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	90.0	
Hexagon XIV Holdings Ltd.	Scitus Luzhou Concrete Co., Ltd.	Sales of ready-mixed concrete	75.0	75.0	75.0	

(Concluded)

Remarks:

1) Refer to Note 27 for information relating to the equity acquisition transaction.

2) Taiwan Cement Corporation and TCC Investment Corporation disposed of part of their ownership in Taiwan Prosperity Chemical Corporation during 2018. Taiwan Transport & Storage Corporation acquired a partial shareholding of Ta-Ho Maritime Corporation and E.G.C. Cement Corporation during 2018.

3) Ho Swen Construction Material Co., Ltd. was in the process of liquidation in March 2018, and had final liquidation in December 2018.

4) Tunwoo Company Limited changed its Chinese name to TCC Green Energy Corporation in March 2018, and changed its main business to renewable energy generation.

5) For the purpose of streamlining its investment structure, its board of directors approved to merge Kuan-Ho Construction & Development Corporation, with TCC Chemical Corporation as the surviving company. The effective date of the merger was on January 1, 2018.

6) Ho-Ping Renewable Energy Company was established in April 2018 and consolidated into the consolidated financial statements.

7) TCC Chia-Chien Green Energy Corporation, TCC Yun-Kai Green Energy Corporation and TCC Lien-Hsin Green Energy Corporation were established in May 2018. TCC Kao-Cheng Green Energy Corporation, TCC Nan-Chung Green Energy Corporation and TCC Chang-Ho Green Energy Corporation were established in July 2018. Chang-Wang Wind Power Co., Ltd. was established in December 2018. These entities were consolidated into the consolidated financial statements.

8) Although the Group’s percentages of ownership in Taiwan Prosperity Chemical Corporation, Feng Sheng Enterprise Company Limited and TPMC were less than 50%, the Group still has control over those entities. Thus, Taiwan Prosperity Chemical Corporation, Feng Sheng Enterprise Company Limited and TPMC are considered as subsidiaries of the Group.

9) Taiwan Cement Corporation increased its capital investment of TCCI and TCCIH in August and December 2018, but TCCI did not simultaneously increase its investment in the capital of TCCIH. Thus, Taiwan Cement Corporation’s percentage of ownership in TCCIH increased from 24.1% to 38.3%, and TCCI’s percentages of ownership in TCCIH decreased from 75.9% to 61.7%.

10) Taiwan Cement Engineering Corporation originally indirectly owned 100% shares in TCEC (Yingde) Machine Co., Ltd through TCEC Corporation. The Brunei Darussalam government announced on December 22, 2016 that all international corporations have to wind up their businesses. Therefore, Taiwan Cement Engineering Corporation’s disposed of its direct ownership in TCEC (Yingde) Machine Co., Ltd., and finished the relevant procedures in December 2018.

11) For the purpose of streamlining investment structure, Koning Concrete Ltd. was dissolved and cancelled in 2018. Anhui King Bridge Cement Co., Ltd was dissolved and cancelled during the three months ended March 31, 2019.

12) Its board of directors resolved to establish Taiwan Cement (Dutch) Holdings B.V. in October 2018, which established the joint venture (Dutch OYAK TCC Holdings B.V.) with Ordu Yardimlasma Kurumuwhich. The Group obtained 40% interests of joint venture investment in cash and indirectly acquired the cement investment projects in areas such as Turkey.

13) The Group set up TCC (Guigang) Dung Yuan Green Energy Corporation by means of joint venture in June 2018, the group held 40% interests of which, in October 2018, the board of directors of TCC (Guigang) Cement Limited approved the $116 million that was initially financed to TCC (Guigang) Dung Yuan Green Corporation and converted it to share capital, and the holding rate of interests increased to 95.2%.

14) TCC Beijing Environmental Technology Co., Ltd., TCC (Hangzhou) Environment Co., Ltd., and Kaili TCC Environmental Technology Co., Ltd were established during the three months ended March 31, 2019 and were consolidated into the financial statements.

15) Except for the financial statements of TCC Huaihua Cement Company Limited which were not reviewed for the three months ended March 31, 2017, the financial statements for the three months ended March 31, 2019 and 2018 of the consolidated subsidiaries had been reviewed.

16) Except for those mentioned directly above in Remark 15, the remaining subsidiaries' financial statements for the three months ended March 31, 2019 and 2018 were not reviewed by auditors.

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

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	March 31, 2019	**December 31, 2018**	**March 31, 2018**
Taiwan Prosperity Chemical Corporation	57.5%	57.5%	50.6%
Ho-Ping Power Company	40.0%	40.0%	40.0%

Refer to Table for the information on the places of incorporation and principle places of business.

The summarized financial information below represents amounts before intragroup eliminations.

Taiwan Prosperity Chemical Corporation

	March 31, 2019	**December 31, 2018**	**March 31, 2018**
Current assets	$ 5,129,781	$ 5,434,627	$ 4,360,253
Non-current assets	5,918,922	6,079,902	6,674,843
Current liabilities	(3,890,328)	(4,138,783)	(6,226,706)
Non-current liabilities	(3,701,885)	(3,842,504)	(1,483,331)
Equity	$ 3,456,490	$ 3,533,242	$ 3,325,059

(Continued)

	March 31, 2019	December 31, 2018	March 31, 2018
Equity attributable to:			
Owners of Taiwan Prosperity Chemical Corporation	$ 1,469,420	$ 1,502,047	$ 1,643,688
Non-controlling interests of Taiwan Prosperity Chemical Corporation	1,987,070	2,031,195	1,681,371
	$ 3,456,490	$ 3,533,242	$ 3,325,059

(Concluded)

	For the Three Months Ended March 31	
	2019	2018
Operating revenue	$ 2,503,206	$ 3,496,168
Profit (loss) for the period	$ (153,616)	$ 76,708
Other comprehensive income for the period	76,864	30,559
Total comprehensive income (loss) for the period	$ (76,752)	$ 107,267
Profit (loss) attributable to:		
Owners of Taiwan Prosperity Chemical Corporation	$ (65,304)	$ 39,347
Non-controlling interests of Taiwan Prosperity Chemical Corporation	(88,312)	37,361
	$ (153,616)	$ 76,708
Total comprehensive income (loss) attributable to:		
Owners of Taiwan Prosperity Chemical Corporation	$ (32,628)	$ 48,068
Non-controlling interests of Taiwan Prosperity Chemical Corporation	(44,124)	59,199
	$ (76,752)	$ 107,267
Net cash inflow (outflow) from:		
Operating activities	$ 311,332	$ 319,620
Investing activities	(31,864)	14,632
Financing activities	(358,406)	(2,866)
Net cash inflow (outflow)	$ (78,938)	$ 331,386

Ho-Ping Power Company

	March 31, 2019	December 31, 2018	March 31, 2018
Current assets	$ 6,132,496	$ 7,115,395	$ 4,909,806
Non-current assets	32,050,503	31,537,715	33,126,444
Current liabilities	(5,302,805)	(6,627,608)	(3,788,010)
Non-current liabilities	(3,433,629)	(3,353,289)	(3,384,527)
Equity	$ 29,446,565	$ 28,672,213	$ 30,863,713
Equity attributable to:			
Owners of Ho-Ping Power Company	$ 17,664,473	$ 17,199,861	$ 18,514,762
Non-controlling interests of Ho-Ping Power Company	11,782,092	11,472,352	12,348,951
	$ 29,446,565	$ 28,672,213	$ 30,863,713

	For the Three Months Ended March 31	
	2019	2018
Operating revenue	$ 3,038,992	$ 1,159,835
Profit (loss) for the period	$ 774,352	$ (417,909)
Other comprehensive income (loss) for the period	-	54
Total comprehensive income for the period	$ 774,352	$ (417,855)
Profit (loss) attributable to:		
Owners of Ho-Ping Power Company	$ 464,612	$ (250,744)
Non-controlling interests of Ho-Ping Power Company	309,740	(167,165)
	$ 774,352	$ (417,909)
Total comprehensive income attributable to:		
Owners of Ho-Ping Power Company	$ 464,612	$ (250,712)
Non-controlling interests of Ho-Ping Power Company	309,740	(167,143)
	$ 774,352	$ (417,855)
Net cash inflow (outflow) from:		
Operating activities	$ 967,423	$ 71,396
Investing activities	(286,224)	(174,750)
Financing activities	(1,556,483)	(1,003,294)
Net cash outflow	$ (875,284)	$ (1,106,648)

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2019	December 31, 2018	March 31, 2018
Investments in associates	$ 47,175,766	$ 46,247,974	$ 8,855,843

Investments in associates

	March 31, 2019	December 31, 2018	March 31, 2018
Material associates			
Dutch OYAK TCC Holdings B.V.	$ 28,182,464	$ 29,071,244	$ -
International CSRC Investment Holdings Co., Ltd.	6,488,516	6,196,876	-
Prosperity Conch Cement Company Limited	5,121,678	4,744,772	3,855,390
Associates that are not individually material			
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	1,750,617	1,664,696	1,705,609
CCC USA Corp.	1,650,168	1,625,444	705,634
E-ONE Moli Energy Corporation	1,588,590	635,495	537,460
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	947,650	876,910	911,948
ONYX Ta-Ho Environmental Services Co., Ltd.	868,348	786,226	561,774
Quon Hing Concrete Co., Ltd.	218,385	283,508	225,750
Hong Kong Concrete Co., Ltd.	204,647	217,105	199,652
Sichuan Taichang Building Material Group Company Limited	59,086	47,692	-
Shih Hsin Storage & Transportation Co., Ltd.	45,223	46,369	56,821
Chia Huan Tung Cement Corporation	43,376	44,646	89,251
Synpac Ltd.	7,018	6,991	6,554
	$ 47,175,766	$ 46,247,974	$ 8,855,843

Except for the financial statements of International CSRC Investment Holdings Co., Ltd., CCC USA Corp., and E-ONE Moli Energy Corporation the financial statements of associates for the three months ended March, 31 2018 and 2019 were not reviewed.

a. Material associates

	Proportion of Ownership		
	March 31, 2019	December 31, 2018	March 31, 2018
Dutch OYAK TCC Holdings B.V.	40.0%	40.0%	-
International CSRC Investment Holdings Co., Ltd.	19.2%	19.2%	-
Prosperity Conch Cement Company Limited	25.0%	25.0%	25.0%

Refer to information on investees and information on investments in mainland China for the nature of activities, principal place of business and country of incorporation of Dutch OYAK TCC Holdings B.V., International CSRC Investment Holdings Co., Ltd., and Prosperity Conch Cement Company Limited.

Dutch OYAK TCC Holdings B.V. was a joint venture company through collaboration between Taiwan Cement Dutch and Ordu Yardimlasma Kurumu in November 2018, and the Group obtained 40% interests of the joint venture investment in cash, and indirectly acquired cement investment projects in areas such as Turkey. Until March 31, 2019, the Group had not completed the calculation of the difference between the cost of the investment and the Group's share of the net fair value of Dutch OYAK TCC Holdings B.V.'s identifiable assets and liabilities.

Summarized financial information in respect of significant associates was as follows:

Dutch OYAK TCC Holdings B.V

	March 31, 2019	December 31, 2018
Current assets	$ 35,387,465	$ 36,023,187
Non-current assets	20,354,020	22,681,613
Current liabilities	(12,004,448)	(11,451,405)
Non-current liabilities	(2,453,618)	(2,430,560)
Non-controlling interests	(5,738,835)	(7,651,443)
Equity attributable to the Group	$ 35,544,584	$ 37,171,392
Proportion of the Group's ownership	40.0%	40.0%
Equity attributable to the Group	14,217,833	14,868,557
Differences between cost of investment and equity attributable to the Group	13,964,631	14,202,687
Carrying amounts	$ 28,182,464	$ 29,071,244

	For the Three Months Ended March 31, 2019
Operating revenue	$ 2,915,952
Net loss for the period	$ (377,109)
Other comprehensive loss	(829,233)
Total comprehensive loss for the period	$ (1,206,342)

International CSRC Investment Holdings Co., Ltd.

	March 31, 2019	December 31, 2018
Current assets	$ 32,345,929	$ 28,454,557
Non-current assets	22,848,994	21,479,581
Current liabilities	(12,992,381)	(11,095,422)
Non-current liabilities	(7,027,921)	(6,583,390)
Non-controlling interests	(4,063,908)	(2,664,235)
Equity attributable to the Group	$ 31,110,713	$ 29,591,091
Proportion of the Group's ownership	19.2%	19.2%
Equity attributable to the Group	5,970,656	5,679,016
Goodwill	517,860	517,860
Carrying amounts	$ 6,488,516	$ 6,196,876

	For the Three Months Ended March 31, 2019
Operating revenue	$ 6,068,893
Net income for the period	$ 790,089
Other comprehensive income	760,786
Total comprehensive income for the period	$ 1,550,875

International CSRS Investment Holding Co., Ltd. possessed quoted prices of open market of Level 1 fair value is $6,990,841 thousand.

Prosperity Conch Cement Company Limited

	March 31, 2019	December 31, 2018	March 31, 2018
Current assets	$ 15,274,416	$ 15,319,759	$ 10,458,045
Non-current assets	7,239,268	7,160,972	7,132,308
Current liabilities	(1,337,959)	(2,831,153)	(1,473,541)
Non-current liabilities	(689,013)	(670,491)	(695,250)
Equity	$ 20,486,712	$ 18,979,087	$ 15,421,562
Proportion of the Group’s ownership	25.0%	25.0%	25.0%
Carrying amounts	$ 5,121,678	$ 4,744,772	$ 3,855,390

	For the Three Months Ended March 31	
	2019	2018
Operating revenue	$ 2,986,024	$ 2,797,459
Net income for the period	$ 1,019,350	$ 819,954
Other comprehensive income	488,276	152,212
Total comprehensive income for the period	$ 1,507,626	$ 972,166

b. Aggregate information of associates that are not individually material

	Proportion of Ownership		
	March 31, 2019	December 31, 2018	March 31, 2018
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	30.0%	30.0%	30.0%
CCC USA Corp.	33.3%	33.3%	33.3%
E-ONE Moli Energy Corporation	28.1%	29.9%	29.9%
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	30.0%	30.0%	30.0%
ONYX Ta-Ho Environmental Services Co., Ltd.	50.0%	50.0%	50.0%
Quon Hing Concrete Co., Ltd.	50.0%	50.0%	50.0%
Hong Kong Concrete Co., Ltd.	31.5%	31.5%	31.5%
Sichuan Taichang Building Material Group Company Limited	30.0%	30.0%	30.0%
Shih Hsin Storage & Transportation Co., Ltd.	18.9%	18.9%	18.9%
Chia Huan Tung Cement Corporation	33.8%	33.8%	33.8%
Synpac Ltd.	25.0%	25.0%	25.0%

	For the Three Months Ended March 31	
	2019	2018
The Group's share of:		
Net income for the period	$ 197,014	$ 209,519
Other comprehensive income	77,583	12,885
Total comprehensive income for the period	$ 274,597	$ 222,404

During the year ended December 31, 2018, the Group paid $673,918 thousand and $3,060,265 thousand to acquire shares of E-ONE Moli Energy Corporation and International CSRC Investment Holdings Co., Ltd., respectively, and increased the Group's percentage of ownership from 15.1% to 29.9% and 12.5% to 19.2%, respectively. With a significant impact on the investee, the investments were reclassified to investments accounted for using the equity method.

E-ONE Moli Energy Corporation issued shares in January 2019. The Group paid $943,391 thousand to acquire shares of E-ONE Moli Energy Corporation in January 2019, and decreased its percentage of ownership from 29.9% to 28.1% because the Group did not subscribe for new shares issued by its investee according to the percentage of ownership interest.

For the year ended December 31, 2018, the Group paid $802,438 thousand to acquire shares of CCC USA Corp.

The Group's percentage of ownership in Shin-Hsin Storage & Transportation Co., Ltd. is less than 20%, but the Group has significant influence and accounts for the investment by using the equity method.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Property in Construction	Total
Cost						
Balance at January 1, 2018	$ 20,665,029	$ 50,587,364	$ 98,082,294	$ 12,142,556	$ 4,402,613	$ 185,879,856
Additions	-	31,225	22,956	886,549	354,837	1,295,567
Disposals	-	(5,985)	(237,801)	(16,351)	-	(260,137)
Reclassification	(7,779)	5,698	61,502	8,952	(73,780)	(5,407)
Effects of exchange rate changes	-	520,955	848,338	(22,935)	36,312	1,382,670
Balance at March 31, 2018	$ 20,657,250	$ 51,139,257	$ 98,777,289	$ 12,998,771	$ 4,719,982	$ 188,292,549
Accumulated depreciation and impairment						
Balance at January 1, 2018	$ 274,188	$ 15,829,125	$ 64,476,095	$ 10,507,380	$ 83,664	$ 91,170,452
Disposals	-	(3,023)	(218,051)	(14,820)	-	(235,894)
Depreciation expenses	-	351,888	1,011,013	163,709	-	1,526,610
Effects of exchange rate changes	-	151,363	449,386	(14,546)	1,342	587,545
Balance at March 31, 2018	$ 274,188	$ 16,329,353	$ 65,718,443	$ 10,641,723	$ 85,006	$ 93,048,713
Carrying amounts at March 31, 2018	$ 20,383,062	$ 34,809,904	$ 33,058,846	$ 2,357,048	$ 4,634,976	$ 95,243,836
Cost						
Balance at January 1, 2019	$ 20,665,249	$ 49,617,176	$ 93,508,387	$ 12,720,984	$ 5,296,642	$ 181,808,438
Additions	-	14,103	97,316	96,749	824,813	1,032,981
Disposals	-	(50,767)	(97,139)	(1,525,584)	-	(1,673,490)
Reclassification	-	51,055	83,037	70,051	(149,077)	55,066
Effects of exchange rate changes	-	916,862	1,474,697	63,107	78,075	2,532,741
Balance at March 31, 2019	$ 20,665,249	$ 50,548,429	$ 95,066,298	$ 11,425,307	$ 6,050,453	$ 183,755,736
Accumulated depreciation and impairment						
Balance at January 1, 2019	$ 274,188	$ 16,786,251	$ 63,935,522	$ 9,636,947	$ 81,705	$ 90,714,613
Disposals	-	-	(77,828)	(1,312,628)	-	(1,390,456)
Depreciation expenses	-	335,127	1,020,474	148,865	-	1,504,466
Reclassification	-	777	-	(777)	-	-
Effects of exchange rate changes	-	252,018	812,424	43,919	2,256	1,110,617
Balance at March 31, 2019	$ 274,188	$ 17,374,173	$ 65,690,592	$ 8,516,326	$ 83,961	$ 91,939,240
Carrying amounts at January 1, 2019	$ 20,391,061	$ 32,830,925	$ 29,572,865	$ 3,084,037	$ 5,214,937	$ 91,093,825
Carrying amounts at March 31, 2019	$ 20,391,061	$ 33,174,256	$ 29,375,706	$ 2,908,981	$ 5,966,492	$ 91,816,496

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	30-60 years
Main plants	16-50 years
Storage units	10-50 years
Others	20-50 years
Machinery and equipment	2-28 years
Miscellaneous equipment	2-20 years

Property, plant and equipment pledged as collateral for bank borrowings is set out in Note 32.

Acquisitions of property, plant and equipment included non-cash items which were reconciled as follows:

	For the Three Months Ended March 31	
	2019	2018
Acquisitions of property, plant and equipment	$ 1,032,981	$ 1,295,567
Increase (decrease) in prepayments for equipment	537,720	(349,845)
Decrease (increase) in payables for equipment	(87,028)	169,892
	$ 1,483,673	$ 1,115,614

15. LEASE ARRANGEMENTS - 2019

a. Right-of-use assets

	March 31, 2019
Carrying amounts	
Land (Note)	$ 8,287,608
Buildings	905,572
Machinery	210,436
Other	42,256
	$ 9,445,872

Note: The Group applied IFRS 16 "Lease" since 2019 and recognized prepaid lease payments for land use rights of lands located in China under right-of-use assets.

	For the Three Months Ended March 31, 2019
Additions to right-of-use assets	$ 36,633
Depreciation charge for right-of-use assets	
Land	$ 86,154
Buildings	38,319
Machinery	21,704
Other	4,048
	$ 150,225

b. Lease liabilities

	March 31, 2019
Carrying amounts	
Current	$ 356,284
Non-current	$ 2,115,963

Range of discount rate for lease liabilities was as follows:

	March 31, 2019
Land	1.85%-2.35%
Buildings	1.85%-4.75%
Machinery	1.85%-2.05%
Other	1.76%-4.75%

c. Other lease information

	For the Three Months Ended March 31, 2019
Expenses relating to short-term leases	$ 308,593
Expenses relating to low-value asset leases	$ 41
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 155
Total cash outflow for leases	$ (405,178)

The Group leases certain assets which qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	March 31, 2019	December 31, 2018	March 31, 2018
Land	$ 5,725,244	$ 5,725,244	$ 5,725,243
Buildings	613,863	619,216	651,734
	$ 6,339,107	$ 6,344,460	$ 6,376,977

Except for depreciation, the Group did not recognize significant additions, disposals or impairment loss of investment properties during the three months ended March 31, 2019 and 2018.

The buildings of the investment properties are depreciated using the straight-line method over their estimated useful lives of 50 years.

As of December 31, 2018 and 2017, the fair value of investment properties were $14,865,003 thousand and $14,853,688 thousand, respectively. Management of the Group had assessed and determined that there were no significant changes in fair value as of December 31, 2018 and 2017, as compared to that of March 31, 2019 and 2018.

The investment properties pledged as collateral for bank borrowings are set out in Note 32.

17. INTANGIBLE ASSETS

	Goodwill	Operational Concession	Mining Rights	Others	Total
Cost					
Balance at January 1, 2018	$ 11,876,957	$ 7,681,476	$ 3,215,101	$ 1,189,793	$ 23,963,327
Additions	-	-	43,136	424	43,560
Effects of exchange rate changes	184,100	-	43,943	(619)	227,424
Balance at March 31, 2018	$ 12,061,057	$ 7,681,476	$ 3,302,180	$ 1,189,598	$ 24,234,311
Accumulated amortization and impairment					
Balance at January 1, 2018	$ -	$ 906,666	$ 1,210,061	$ 993,976	$ 3,110,703
Amortization expenses	-	37,778	39,527	23,018	100,323
Effects of exchange rate changes	-	-	14,889	(3,072)	11,817
Balance at March 31, 2018	$ -	$ 944,444	$ 1,264,477	$ 1,013,922	$ 3,222,843
Carrying amounts at March 31, 2018	$ 12,061,057	$ 6,737,032	$ 2,037,703	$ 175,676	$ 21,011,468
Cost					
Balance at January 1, 2019	$ 11,988,345	$ 7,681,476	$ 3,199,099	$ 1,194,509	$ 24,063,429
Additions	-	-	-	3,350	3,350
Effects of exchange rate changes	307,801	-	82,163	8,633	398,597
Balance at March 31, 2019	$ 12,296,146	$ 7,681,476	$ 3,281,262	$ 1,206,492	$ 24,465,376
Accumulated amortization and impairment					
Balance at January 1, 2019	$ 156,000	$ 1,057,777	$ 1,358,627	$ 1,063,673	$ 3,636,077
Amortization expenses	-	37,778	41,496	14,490	93,764
Effects of exchange rate changes	-	-	31,922	5,361	37,283
Balance at March 31, 2019	$ 156,000	$ 1,095,555	$ 1,432,045	$ 1,083,524	$ 3,767,124
Carrying amounts at January 1, 2019	$ 11,832,345	$ 6,623,699	$ 1,840,472	$ 130,836	$ 20,427,352
Carrying amounts at March 31, 2019	$ 12,140,146	$ 6,585,921	$ 1,849,217	$ 122,968	$ 20,698,252

The above items of intangible assets with finite useful lives are amortized on a straight-line basis over their useful lives as follows:

Operational concession	50 years
Mining rights	30-50 years
Others	3-17 years

18. PREPAYMENTS FOR LEASES - 2018

	December 31, 2018	March 31, 2018
Current (included in prepayments)	$ 250,309	$ 222,616
Non-current	6,584,246	6,892,250
	$ 6,834,555	$ 7,114,866

The above prepayments for leases were mainly for land use rights in China. The Group applied IFRS 16 “Leases” since 2019 and reclassified prepayments for leases to right-of-use assets. Refer to Note 15 for more information.

19. BORROWINGS

a. Short-term loans

	March 31, 2019	December 31, 2018	March 31, 2018
Secured borrowings			
Bank loans	$ 100,000	$ 100,000	$ 270,000
Unsecured borrowings			
Bank loans - unsecured	33,486,130	26,126,051	15,725,509
Bank loans - letters of credit	231,248	-	842,111
	33,717,378	26,126,051	16,567,620
	$ 33,817,378	$ 26,226,051	$ 16,837,620
Interest rate	0.53%-4.57%	0.80%-4.57%	0.81%-4.50%

b. Short-term bills payable

	March 31, 2019	December 31, 2018	March 31, 2018
Commercial paper	$ 7,600,000	$ 7,410,000	$ 5,475,000
Less: Unamortized discount on bills payable	8,711	7,786	7,701
	$ 7,591,289	$ 7,402,214	$ 5,467,299
Interest rate	0.79%-1.24%	0.90%-1.24%	0.95%-1.28%

c. Long-term loans and long-term bills payable

	March 31, 2019	December 31, 2018	March 31, 2018
Secured borrowings	$ 2,883,942	$ 3,767,073	$ 3,660,222
Unsecured borrowings	16,172,428	22,788,845	57,141,451
	19,056,370	26,555,918	60,801,673
Long-term bills payable	22,500,000	22,500,000	-
Less: Discount on bills payable	23,983	23,120	-
	22,476,017	22,476,880	-
	41,532,387	49,032,798	60,801,673
Less: Current portions	78,667	1,923,945	8,754,600
	$ 41,453,720	$ 47,108,853	$ 52,047,073
Interest rate			
Long-term loans	1.40%-4.01%	1.29%-3.99%	1.29%-3.40%
Long-term bills payable	1.32%-1.38%	1.25%-1.31%	-

Long-term loans consist of unsecured borrowings, secured borrowings and earmarked loans. The principals of long-term unsecured and secured borrowings will be due in September 2025, and the interests are paid monthly. The principals of earmarked loans will be due in December 2025, and the interests are paid monthly or quarterly.

The long-term bills payable is a commercial promissory note signed in 2018 with the banking group for a five-year period, which will be repaid at the expiration of the contract.

The Group didn’t violate financial restrictions of long-term loans and long-term bills payable for the three months ended March 31, 2019.

20. BONDS PAYABLE

	March 31, 2019	December 31, 2018
Domestic unsecured bonds	$ 12,000,000	$ 12,000,000
Less: Discount on bonds payable	22,755	23,156
	11,977,245	11,976,844
Overseas unsecured convertible bonds	12,663,477	12,663,477
Less: Discount on bonds payable	1,775,489	1,862,628
	10,887,988	10,800,849
	$ 22,865,233	$ 22,777,693

a. Domestic unsecured bonds

Domestic unsecured bonds were issued on June 21, 2018, with a maturity of 15 years due on June 21, 2033. The bonds total amount is $12,000,000 thousand and has a coupon rate of 1.7%, with bullet repayment and interest paid annually.

b. Overseas unsecured convertible bonds

In June 2018, the Corporation’s board of directors resolved to issue overseas unsecured convertible bonds for the first time. This proposal was approved and became effective under the letter issued by the Financial Supervisory Commission (“FSC”) dated July 25, 2018 (Ref. No. Jin-Guan-Zheng-Fa-Zi 10703258532). The bonds which have durations of 5 years were listed on the Singapore Stock Exchange on December 10, 2018. This zero-coupon overseas convertible bonds have a face value of US$400,000 thousand.

Bondholders may request the Corporation to convert the bonds into the Corporation’s ordinary shares at NT$41 per share and at the fixed exchange rate of US$1.00 to NT$30.878 divided by conversion price per share on conversion date within the period from the date following the expiry of three months of the issuance date to 10 days prior to maturity.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 3.27% per annum on initial recognition.

	March 31, 2019
Proceeds from issuance (less transaction costs of $103,353 thousand)	$ 12,247,847
Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs	(159,222)
Equity component (less transaction costs allocated to the equity component of $11,038 thousand)	(1,308,070)
Liability component at the date of issue (less transaction costs allocated to the liability component of $90,971 thousand)	10,780,555
Interest charged at an effective interest rate of 3.27%	20,294
Liability component at December 31, 2018	10,800,849
Interest charged at an effective interest rate of 3.27%	87,139
Liability component at March 31, 2019	$ 10,887,988

21. OTHER PAYABLES

	March 31, 2019	December 31, 2018	March 31, 2018
Salaries and bonuses payable	$ 2,251,904	$ 2,824,501	$ 1,068,352
Taxes payable	1,735,860	2,555,872	932,593
Deposits and retention money	989,605	1,178,230	687,028
Payables for equipment	565,193	478,370	852,442
Freight payables	517,359	485,067	294,411
Payables for electricity	434,097	382,476	269,332
Interest payable	225,253	287,911	131,521
Fines payable	66,000	132,000	264,000
Others	3,350,186	3,351,851	3,598,705
	$ 10,135,457	$ 11,676,278	$ 8,098,384

22. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the defined retirement benefit plans applied the respective actuarially determined annual pension cost discount rate as of December 31, 2018 and 2017 and was recognized in the following line items in its respective periods:

	For the Three Months Ended March 31	
	2019	2018
Operating costs	$ 173	$ 1,205
Operating expenses	(341)	121
	$ (168)	$ 1,326

23. EQUITY

a. Share capital

1) Ordinary shares

	March 31, 2019	December 31, 2018	March 31, 2018
Number of shares authorized (in thousands)	7,000,000	7,000,000	6,000,000
Shares authorized	$ 70,000,000	$ 70,000,000	$ 60,000,000
Number of shares issued and fully paid (in thousands)	5,108,060	5,108,060	4,246,509
Shares issued	$ 51,080,599	$ 51,080,599	$ 42,465,090

A holder of issued ordinary shares with par value of $10 is entitled to the proportional rights to vote and to receive dividends. The authorized shares include common shares and preferred shares containing 60,000 thousand units retained for the exercise of employee share options.

The Corporation's shareholders resolved to distribute share dividends of $4,240,509 thousand in June 2018, which was approved by the FSC. The subscription base date was August 1, 2018 as determined by the board of directors.

The Corporation's board of directors resolved to issue ordinary shares in the form of global depositary shares for the purpose of investing in overseas subsidiaries and to repay borrowings. The transaction was approved by the FSC under letter No. 10703258531 which was issued on July 25, 2018. The Corporation issued 87,500 units at US$6.27 per share on the Luxembourg Stock Exchange, which amounted to a total of US$548,625 thousand in August 2018. One global depositary share represents 5 ordinary shares, and the total global depositary shares represent 437,500 thousand ordinary shares. All outstanding global depositary shares were converted into ordinary shares as of March 31, 2019.

2) Preference shares

In June 2018, the Corporation's board of directors resolved to increase cash capital by issuing preference shares for the second time, which was approved by the FSC under letter dated July 25, 2018 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1070325853), and the record date of capital increase was determined as of December 13, 2018, it was expected to issue 200,000 thousand shares having a face value of $10 per share at the issue price of NT$50 per share, with 3.5% coupon per annum (based on a five-year term 0.9375% IRS interest rate + 2.5625% fixed interest rate). Five-year term IRS interest rate will be reset on the next business day of the expiry of the five-year period from the date of issue and every five years thereafter. The Corporation has full discretion on the dividend distribution of the second preference shares. If there is no surplus or insufficient surplus to pay the preference share dividends upon the close of current fiscal year, the Corporation's resolution to cancel the distribution of preference share dividends will not constitute an event of default or a termination event in a contract. Preference share dividends are non-accumulative, and dividends that are not distributed or distributed in excess are not accumulated in the future year with deferred annual repayment. There is no maturity of the Corporation's second preference shares, but the Corporation may recover whole or part of the second preference shares at the actual issue price from the day following the five-year period from the issue date. The preference shares may not be converted to ordinary shares, and the preference shareholders do not have the rights to require the Corporation to redeem the preference shares they hold.

b. Capital surplus

	March 31, 2019	December 31, 2018	March 31, 2018
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)			
Issuance of ordinary shares	$ 44,176,367	$ 44,176,367	$ 23,863,105
Conversion of bonds	1,520,632	1,520,632	1,520,632
Differences between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	466,755	466,755	131,744
Treasury share transactions	203,725	203,725	194,598
Donations	31,537	31,537	31,537
May be used to offset a deficit only (Note 2)			
Changes in percentage of ownership interests in subsidiaries	116,238	116,238	116,238
Forfeited share options	10,695	10,695	10,315
Dividends distributed by subsidiaries not yet received by shareholders	2,161	2,161	2,120
May not be used for any purpose			
Equity component of convertible bond	1,308,070	1,308,070	-
Changes in interests in associates accounted for by using the equity method	120,116	61	520
	$ 47,956,296	$ 47,836,241	$ 25,870,809

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus).

Note 2: Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions, other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for by using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of preference shares then dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to employee benefits expense in Note 24c.

In addition to the capital-intensive, mature and stable production and marketing of cement and cement-related products, the Corporation aggressively pursues diversification. For the development of diversified investments or other important capital budgeting plans, the Corporation decided that the payout ratio of cash dividend is to be at least 20% of the total dividends to be distributed to ordinary shareholders; the rest will be paid in share dividends.

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" should be appropriated to or reversed from a special reserve by the Corporation.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's share capital. 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 share capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2017 and 2016, which were approved in the shareholders' general meeting in June 2018 and June 2017, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31	
	2017	2016	2017	2016
Legal reserve	$ 759,425	$ 635,845		
Cash dividends	6,360,764	5,353,655	$ 1.50	$ 1.45
Share dividends	4,240,509	-	$ 1.00	$ -

The appropriation of earnings for 2018 had been proposed by the Corporation's board of directors on March 22, 2019. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 2,118,082	
Dividends on preferred shares	18,219	$ 0.09
Cash dividends	16,856,367	$ 3.30
Share dividends	3,575,593	$ 0.70

The appropriation of earnings for 2018 is subject to be approved by shareholder's general meeting in June 2019.

d. Special reserve

The Corporation appropriated to special reserve the amounts that were the same as the unrealized revaluation increment and cumulative translation adjustments transferred to retained earnings at the first-time adoption of IFRSs, which were $10,454,422 thousand and $2,709,369 thousand, respectively.

The special reserve appropriated at the first-time adoption of IFRSs relating to investment in properties other than land may be reversed according to the period of use. The special reserve relating to land may be reversed upon disposal or reclassification. The special reserves were reversed $0 and $243 thousand for the three months ended March 31, 2019 and 2018, respectively. The special reserve appropriated due to currency translation adjustments for financial statements of foreign operations (including subsidiaries) shall be reversed based on the Corporation's disposal percentage, and all of the special reserve shall be reversed when the Corporation loses significant influence.

e. Other equity items

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

	For the Three Months Ended March 31	
	2019	**2018**
Balance at January 1	$ (5,037,221)	$ (790,475)
Effect of change in tax rate	-	(328)
Recognized during the period		
Exchange differences on translating foreign operations	3,213,576	2,530,621
Share of exchange differences of associates and joint ventures accounted for by using the equity method	(640,040)	34,334
Balance at March 31	$ (2,463,685)	$ 1,774,152

2) Unrealized gain on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2019	**2018**
Balance at January 1	$ 24,074,566	$ 24,158,871
Recognized during the period		
Unrealized gain - equity instruments	5,817,814	2,934,619
Share of profit or loss of associates and joint ventures	126,738	-
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	681,779
Other comprehensive income recognized in the period	5,944,552	3,616,398
Balance at March 31	$ 30,019,118	$ 27,775,269

3) Cash flow hedges

	For the Three Months Ended March 31, 2019
Balance at January 1	$ 1,109
Share from associates accounted for by using the equity method	285
Balance at March 31	$ 1,394

f. Non-controlling interests

	For the Three Months Ended March 31	
	2019	2018
Balance at January 1	$ 15,837,946	$ 16,315,377
Net income	278,050	(79,800)
Other comprehensive income (loss) in the period		
Effect of change in tax rate	-	1,029
Exchange differences on translating foreign operations	29,081	(12,686)
Unrealized gain on financial assets at FVTOCI	52,792	15,347
Share of other comprehensive income of associates and joint ventures accounted for by using the equity method	-	15,747
Dividends paid by subsidiaries	(21,217)	(23,581)
Organizational restructuring of subsidiaries	-	(49,150)
Disposal and acquisition of non-controlling interests in subsidiaries	(152,430)	41,645
Balance at March 31	$ 16,024,222	$ 16,223,928

g. Treasury shares

(In Thousands of Shares)

	For the Three Months Ended March 31	
	2019	2018
Number of shares at January 1	70	-
Increase during the period	-	6,000
Number of shares at March 31	70	6,000

In February 2018, the Corporation's board of directors resolved to buy back 6,000 thousand treasury shares, and its execution had been carried out in the same month. The average buy-back price per shares was $36.36, which will be transferred to employees. The record date of employee's subscription was on September 10, 2018. The Corporation transferred 5,930 shares to the employees at $30.3 per share for the year ended December 31 of 2018. Under the Securities Exchange Act, the Corporation shall neither pledge treasury shares nor exercise shareholder's rights on these shares, such as rights to dividends and to vote.

24. NET INCOME

Net income includes the following items:

a. Depreciation and amortization

	For the Three Months Ended March 31	
	2019	2018
An analysis of depreciation by account		
Property, plant and equipment	$ 1,504,466	$ 1,526,610
Right-of-use assets	150,225	-
Investment properties	5,375	6,026
	$ 1,660,066	$ 1,532,636
An analysis of depreciation by function		
Operating costs	$ 1,489,582	$ 1,420,046
Operating expenses	170,270	112,440
Non-operating expenses	214	150
	$ 1,660,066	$ 1,532,636
An analysis of intangible assets amortization by function		
Operating costs	$ 80,907	$ 87,363
Operating expenses	12,857	12,960
	$ 93,764	$ 100,323

b. Employee benefits expense

	For the Three Months Ended March 31	
	2019	2018
Retirement benefit plans		
Defined contribution plans	$ 101,085	$ 88,656
Defined benefit plans	(168)	1,326
	100,917	89,982
Other employee benefits	1,665,140	1,255,193
	$ 1,766,057	$ 1,345,175
An analysis of employee benefits expense by function		
Operating costs	$ 1,148,632	$ 919,677
Operating expenses	617,425	425,498
	$ 1,766,057	$ 1,345,175

c. Employees' compensation and remuneration of directors

The Corporation accrued employees' compensation and remuneration of directors at the rates of 0.01-3% and no higher than 1%, respectively, of net profit before income tax, employees' compensation and remuneration of directors for the three months ended March 31, 2019 and 2018. The employees' compensation and the remuneration of directors during the said periods were as follows:

	For the Three Months Ended March 31	
	2019	**2018**
Employees' compensation	$ 17,059	$ 13,386
Remuneration of directors	$ 40,107	$ 17,835

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.

The employees' compensation and remuneration of directors for the years ended December 31, 2018 and 2017 which are to be paid in cash, had been resolved by the board of directors in March 2019 and March 2018, respectively, were as follows:

	For the Year Ended December 31	
	2018	**2017**
Employees' compensation	$ 68,236	$ 23,899
Remuneration of directors	$ 215,088	$ 66,305

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2017 and 2018.

Information on the employees' compensation and remuneration of directors 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.

d. Finance costs

	For the Three Months Ended March 31	
	2019	**2018**
Interest on bank borrowings	$ 489,814	$ 495,283
Interest on lease liabilities	8,731	-
Other finance costs	37,334	43,412
	$ 535,879	$ 538,695

Information about capitalized interest was as follows:

	For the Three Months Ended March 31	
	2019	**2018**
Capitalized interest	$ 2,915	$ 2,742
Capitalization rate	0.95%-1.79%	0.95%-0.99%

25. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Three Months Ended March 31	
	2019	2018
Current tax		
In respect of the current period	$ 1,221,235	$ 1,044,627
Adjustments for prior periods	(1,995)	(3,709)
	1,219,240	1,040,918
Deferred tax		
In respect of the current period	154,285	79,029
Effect of change in tax rate	-	632,271
	154,285	711,300
	$ 1,373,525	$ 1,752,218

The Income Tax Act in the Republic of China was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%, effective in 2018. The effect of the change in tax rate on deferred tax expenses to be recognized in profit or loss is recognized in full in the period in which the change in the tax rate occurs. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings has been reduced from 10% to 5%.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2019	2018
Deferred tax		
Effect of change in tax rate		
Remeasurement of defined benefit plan	$ -	$ 7,433
Translation of foreign operations	-	328
	$ -	$ 7,761

c. Income tax return assessments

The information of the years through which the income tax returns have been assessed for the group entities is as follows:

Year	Company
2017	Ta-Ho RSEA Environment Co., Ltd., Ho Sheng Mining Co., Ltd., Union Cement Traders Inc., TCC Investment Corporation, Taiwan Cement Engineering Corporation, Ta-Ho Taitung Environment Co., Ltd., E.G.C. Cement Corporation, Taiwan Transport & Storage Corporation, TCC Information Systems Corporation.
2016	Taiwan Cement Corporation, TCC Chemical Corporation, Taiwan Prosperity Chemical Corporation, Tung Chen Mineral Corporation, Jin Chang Minerals Corporation, Hoping Industrial Port Corporation, HPC Power Service Corporation, Ho-Ping Power Company, Feng Sheng Enterprise Company Limited, TCC Green Energy Corporation, Kuan-Ho Refractories Industry Corporation, Ta-Ho Maritime Corporation.

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2019	**2018**
Basic earnings per share	$ 0.77	$ 0.63
Diluted earnings per share	$ 0.77	$ 0.63

The weighted average number of shares outstanding used in the earnings per share computation was adjusted retrospectively for the issuance of bonus shares on August 1, 2018. The basic and diluted earnings per share adjusted retrospectively for the three months ended March 31, 2018 were as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	**After Retrospective Adjustment**
Basic earnings per share	$ 0.69	$ 0.63
Diluted earnings per share	$ 0.69	$ 0.63

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

	For the Three Months Ended March 31	
	2019	**2018**
Profit for the period attributable to owners of the Corporation	$ 3,951,920	$ 2,945,170
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds	15,930	-
Earnings used in the computation of diluted earnings per share	$ 3,967,850	$ 2,945,170
Number of shares (in thousands)		
Weighted average number of ordinary shares in computation of basic earnings per share	5,107,990	4,668,560
Effect of potentially dilutive ordinary shares:		
Employees' compensation	1,985	-
Convertible bonds	70,291	1,020
Weighted average number of ordinary shares used in the computation of diluted earnings per share	5,180,266	4,669,580

If the Corporation offered to settle compensation paid to employees in cash or shares and assumed the entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. 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.

27. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

During the three months ended March 31, 2018, the Group acquired a portion of the shares of Ta-Ho Maritime Corporation, and increased its proportionate ownership interests from 92.3% to 94%. During the three months ended March 31, 2018, the Group disposed of a portion of the shares of Taiwan Prosperity Chemical Corporation, and decreased its proportionate ownership interests from 52.5% to 49.4%.

For the three months ended March 31, 2018

Investor	Taiwan Transport and Storage Corporation	Taiwan Cement Corporation	TCC Investment Corporation	
Investee	**Ta-Ho Maritime Corporation**	**Taiwan Prosperity Chemical Corporation**	**Taiwan Prosperity Chemical Corporation**	**Total**
Cash consideration (paid) received	$ (52,775)	$ 224,994	$ 1,170	$ 173,389
The proportionate share of subsidiaries' net assets carrying amount transferred from (to) non-controlling interests	52,892	(94,121)	(416)	(41,645)
Differences arising from equity transactions	$ 117	$ 130,873	$ 754	$ 131,744

	Amount
Cash consideration	$ 226,164
Recognized as other receivables	(14,402)
	$ 211,762

Investor	Taiwan Transport and Storage Corporation	Taiwan Cement Corporation	TCC Investment Corporation	
Investee	**Ta-Ho Maritime Corporation**	**Taiwan Prosperity Chemical Corporation**	**Taiwan Prosperity Chemical Corporation**	**Total**
Line items adjusted for equity transactions				
Capital surplus - differences between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	$ 117	$ 130,873	$ 754	$ 131,744

The above transactions were accounted for as equity transactions since there was no change in the Group's control over these subsidiaries.

For the purpose of streamlining its investment structure, the Corporation's board of directors approved the merger with Kuan-Ho Construction & Development Corporation and TCC Chemical Corporation with TCC Chemical Corporation as the surviving company on January 1, 2018. Since the merger is considered as a group reorganization, the carrying amount method is taken as the applicable accounting policy.

Acquirer	**TCC Chemical Corporation**
Acquiree	**Kuan-Ho Construction & Development**
Cash consideration paid	$ (107,663)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	49,150
Differences arising from equity transactions	$ (58,513)
Line items adjusted for equity transactions	
Retained earnings	$ (58,513)

28. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the three months ended March 31, 2019

	Opening Balance	**Cash Flows**	**Effect of Exchange Rate**	**Closing Balance**
Short-term borrowings	$ 26,226,051	$ 7,590,533	$ 794	$ 33,817,378
Long-term borrowings (including expired within a year)	26,555,918	(7,545,685)	46,137	19,056,370
	$ 52,781,969	$ (44,848)	$ 46,931	$ 52,873,748

For the three months ended March 31, 2018

	Opening Balance	**Cash Flows**	**Effect of Exchange Rate**	**Closing Balance**
Short-term borrowings	$ 20,314,112	$ (3,308,074)	$ (168,418)	$ 16,837,620
Long-term borrowings (including expired within a year)	57,405,210	4,652,739	(1,256,276)	60,801,673
	$ 77,719,322	$ 1,344,665	$ (1,424,694)	$ 77,639,293

29. CAPITAL MANAGEMENT

The Group needs to maintain sufficient capital to fulfill the Group's requirements of business expansion and construction. Therefore, the capital management of the Group shall focus on a comprehensive operational plan to ensure sound profitability and financial structure so as to fulfill the mid and long-term demand of working capital, capital expenditures, debts repayment and dividend distributions.

30. FINANCIAL INSTRUMENTS

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

March 31, 2019

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds payable	$ 10,887,988	$ -	$ -	$ 11,237,122	$ 11,237,122

December 31, 2018

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds payable	$ 10,800,849	$ -	$ -	$ 10,904,874	$ 10,904,874

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

1) Fair value hierarchy

March 31, 2019

	Level 1	Level 2	Level 3	Total
Compulsory financial assets at FVTPL				
Domestic listed shares	$ 240,828	$ -	$ -	$ 240,828
Domestic emerging market shares	82,116	-	-	82,116
Mutual funds	197,108	-	-	197,108
	$ 520,052	$ -	$ -	$ 520,052
Financial asset at FVTOCI				
Equity instrument investment				
Domestic listed shares	$ 6,704,509	$ -	$ -	$ 6,704,509
Foreign list shares	25,033,101	-	-	25,033,101
Domestic unlisted shares	-	-	6,208,042	6,208,042
Preference shares	53,428	-	-	53,428
	$ 31,791,038	$ -	$ 6,208,042	$ 37,999,080
Financial liabilities at FVTOCI				
Derivatives	$ -	$ -	$ 46,826	$ 46,826

December 31, 2018

	Level 1	Level 2	Level 3	Total
Compulsory financial assets at FVTPL				
Domestic listed shares	$ 220,787	$ -	$ -	$ 220,787
Domestic emerging market shares	85,780	-	-	85,780
Mutual funds	243,271	-	-	243,271
	$ 549,838	$ -	$ -	$ 549,838
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	$ 6,282,884	$ -	$ -	$ 6,282,884
Foreign listed shares	19,926,459	-	-	19,926,459
Domestic unlisted shares	-	-	5,865,710	5,865,710
Preference shares	-	-	51,375	51,375
	$ 26,209,343	$ -	$ 5,917,085	$ 32,126,428
Financial liabilities at FVTPL				
Derivatives	$ -	$ -	$ 139,460	$ 139,460

March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 229,625	$ -	$ -	$ 229,625
Domestic emerging market shares	90,259	-	-	90,259
Mutual funds	230,372	-	-	230,372
	$ 550,256	$ -	$ -	$ 550,256
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	$ 10,165,281	$ -	$ -	$ 10,165,281
Foreign listed shares	20,964,595	-	-	20,964,595
Domestic unlisted shares	-	-	5,567,694	5,567,694
Foreign unlisted shares	-	-	9,439	9,439
	$ 31,129,876	$ -	$ 5,577,133	$ 36,707,009

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	For the Three Months Ended March 31, 2019
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2019	$ 5,917,085
Preference shares transferred from Level 3 to Level 1 due to listing	(51,375)
Recognized in other comprehensive income	342,332
Balance at March 31, 2019	$ 6,208,042
Financial liabilities at FVTPL	
Derivative instrument investment	
Balance at January 1, 2019	$ 139,460
Recognized in loss	(92,634)
Balance at March 31, 2019	$ 46,826

	For the Three Months Ended March 31, 2018
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2018	$ 5,497,046
Additions	203,845
Recognized in other comprehensive loss	(54,341)
Reclassification	(69,171)
Effect of exchange rate	(246)
Balance at March 31, 2018	$ 5,577,133

3) Valuation techniques and inputs applied for Level 3 fair value measurement

a) There were no quoted prices in active markets for put options and redemption options of ECB issued by the Corporation. Hence, the fair values of options are determined using the binomial option pricing model where the unobservable input is historical volatility. An increase in historical volatility used in isolation would result in an increase in the fair value. As of March 31, 2019 and December 31, 2018, the historical volatility used were 28.35% and 29.22%, respectively.

b) The Group measures the fair value of its investments on domestic and foreign unlisted shares by using the asset-based approach, the market approach, and the dividend discount model.

Under the asset-based approach, the total value of an investment is based on the fair value of its assets and liabilities. The significant unobservable inputs used are listed in the table below.

	March 31, 2019	December 31, 2018	March 31, 2018
Comprehensive discount for lack of marketability and non-controlling interests	10%	10%	10%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Comprehensive discount for lack of marketability and non-controlling interests			
1% increase	$ (23,101)	$ (20,260)	$ (20,461)
1% decrease	$ 23,101	$ 20,260	$ 20,461

The market approach involves comparing a target company with companies that have similar business models in the open market, similar selling prices of similar items, or similar past share prices to that of the target company. The significant unobservable inputs used are listed in the table below.

	March 31, 2019	December 31, 2018	March 31, 2018
Discount for lack of marketability	20-30%	20-30%	20-30%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Discount for lack of marketability			
1% increase	$ (4,321)	$ (4,810)	$ (5,763)
1% decrease	$ 4,321	$ 4,810	$ 5,763

The dividend discount model values a target company based on its stability of dividend payments in the past.

	March 31, 2019	December 31, 2018	March 31, 2018
Discount rate	7.9%	7.9%	8.1%
Dividend growth rate	1.7%	1.7%	1.7%
Discount for lack of marketability	10.0%	10.0%	10.0%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Discount for lack of marketability			
1% increase	$ (41,882)	$ (39,745)	$ (11,180)
1% decrease	$ 41,882	$ 39,745	$ 11,180

c. Categories of financial instruments

	March 31, 2019	December 31, 2018	March 31, 2018
Financial assets			
Financial assets at FVTPL			
Financial assets mandatorily classified at FVTPL	$ 520,052	$ 549,838	$ 550,256
Financial assets measured at amortized cost (1)	130,158,962	121,340,092	87,141,071
Financial assets at FVTOCI			
Equity instrument investment	37,999,080	32,126,428	36,707,009
Financial liabilities			
Financial liabilities at FVTOCI			
Equity instrument investment	46,826	139,460	-
Financial liabilities measured at amortized cost (2)	132,192,960	124,930,847	98,811,089

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, other receivables, other receivables from related parties (included in other current assets), long-term finance lease receivables, and finance lease receivables.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes and accounts payable, other payables (including related parties transactions), bonds payable and long-term loans (including current portion), and long-term bills payable.

d. Financial risk management objectives and policies

The risk controls and hedging strategies performed by the Group were affected by operation environments, and the Group adopted appropriate risk controls and hedging strategies according to its nature of business and risk diversification principles. These risks include market risk, credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The Group did not enter into or trade financial instruments for speculation.

1) Market risk

The Group's financial instruments were mainly comprised of mutual funds and listed shares, and these investments were subject to fluctuations in market prices. The Group periodically evaluated the investment's performance, and no significant market risk was anticipated.

The Group entered into foreign exchange forward contracts to manage exposure to exchange rate fluctuations, including foreign currency risks of foreign-currency assets and liabilities and price fluctuation risks of forecasted transactions. Since the gain or loss generated from exchange rate fluctuations was mostly offset by the gains or losses of hedged items, the market price risk is expected to be insignificant.

a) Foreign currency risk

The foreign financial assets and liabilities were exposed to risk of foreign currency fluctuations. To lower foreign currency risk, the Group has established control mechanisms to immediately monitor its foreign currency positions and exchange rate fluctuations.

To maximize the hedging effectiveness, the Group matched up the conditions of derivative instruments with those in the contracts of hedged items.

The carrying amounts of the significant monetary assets and liabilities not denominated in the functional currency (including those eliminated on consolidation) at the end of reporting period are set out in Note 34.

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in after-tax profit or equity associated with the TWD/RMB/HKD strengthening 1% against the relevant currency.

	USD Impact		**HKD Impact**	
	For the Three Months Ended March 31		**For the Three Months Ended March 31**	
	2019	**2018**	**2019**	**2018**
NTD	$ (19,255)	$ (2,931)	$ -	$ -
RMB	$ (4,196)	$ (8,938)	$ (7,200)	$ (3,584)
HKD	$ 70,637	$ 346,920	$ -	$ -

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2019	**December 31, 2018**	**March 31, 2018**
Cash flow interest rate risk			
Financial assets	$ 35,163,049	$ 21,245,130	$ 12,761,564
Financial liabilities	52,873,748	52,781,969	77,639,293

The interest risk was evaluated based on the position of financial assets and liabilities. The sensitivity analysis below was determined based on the Group's floating interest rate financial assets and liabilities at the end of the reporting period, and an increase or decrease of 50 basis points was used, which represented management's assessment of reasonably possible change in interest rates. The fair values of fixed interest rate financial assets and liabilities will change due to variances in market interest rates; the future cash flows of floating interest rate financial assets and financial liabilities will change due to variances in effective interest rates, which vary with market interest rates.

For the Group's portion of floating interest rate financial assets, if interest rates had been 50 basis points higher/lower, the cash inflows from floating interest rate financial assets for the three months ended March 31, 2019 and 2018 would decrease/increase by $35,163 thousand and $12,762 thousand, respectively.

For the Group's portion of floating interest rate financial liabilities, if interest rates had been 50 basis points higher/lower, the cash outflows from floating interest rate financial liabilities for the three months ended March 31, 2019 and 2018 would decrease/increase by $52,874 thousand and $77,639 thousand, respectively.

c) Other price risk

The Group was exposed to equity instruments and products price risk through its investments in equity securities and funds. The Group manages this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analyses were based on the exposure of equity instruments/commodities prices at the end of reporting period. If equity instruments/commodities prices of financial assets at FVTPL had been 5% higher/lower, profit or loss for the three months ended March 31, 2019 and 2018 would increase/decrease by $26,003 thousand and $27,513 thousand, respectively. If equity prices of financial assets at FVTOCI had been 5% higher/lower, other comprehensive income (loss) for the three months ended March 31, 2019 and 2018 would increase/decrease by $1,899,954 thousand and $1,835,350 thousand, respectively.

2) Credit risk

Potential impacts on financial assets would occur if the Group's counterparties breach financial instrument contracts, including impacts to the concentration of credit risk, components, contractual amounts and other receivables.

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, could arise from the carrying amounts of the respective recognized financial assets as stated in the balance sheets.

The Group transacted with a large number of customers from various industries and geographical locations. The Group continuously assessed the operations and financial condition of customers and monitored the collectability of accounts receivable. The Group also requires credit enhancements by bank guarantees or collaterals for certain customers or certain geographical locations.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

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 facilities and ensures compliance with loan covenants. As of March 31, 2019, December 31, 2018 and March 31, 2018, the amount of unused financing facilities were $87,382,173 thousand, $86,267,583 thousand and $93,705,644 thousand, respectively.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has 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 table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

March 31, 2019

Non-derivative financial liabilities	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	$ 2,220,660	$ 11,608,898	$ 2,552,463	$ 8,470,857	$ 36,062
Lease liabilities	7	1,033,897	380,765	1,487,139	771,079
Variable interest rate liabilities	8,954,847	21,594,287	4,197,688	19,249,703	703,999
Fixed interest rate liabilities	1,800,000	6,004,000	-	23,316,000	24,927,988
	$ 12,975,514	$ 40,241,082	$ 7,130,916	$ 52,523,699	$ 26,439,128

Additional information about the maturity analysis for lease liabilities after eliminating transactions in the Group:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 378,869	$ 840,500	$ 536,814	$ 170,902	$ 170,902	$ 757,574

December 31, 2018

Non-derivative financial liabilities	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 1,766,327	$ 14,583,921	$ 1,925,461	$ 44,177	$ 21,504
Variable interest rate liabilities	13,576,888	11,553,847	3,755,077	25,393,791	724,696
Fixed interest rate liabilities	2,100,000	5,310,000	204,000	22,850,000	27,169,477
	$ 17,443,215	$ 31,447,768	$ 5,884,538	$ 48,287,968	$ 27,915,677

March 31, 2018

Non-derivative financial liabilities	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 998,988	$ 14,922,559	$ 1,535,886	$ 109,096	$ 19,476
Variable interest rate liabilities	2,525,654	12,188,038	12,140,602	55,118,417	-
Fixed interest rate liabilities	200,000	5,275,000	-	-	-
	$ 3,724,642	$ 32,385,597	$ 13,676,488	$ 55,227,513	$ 19,476

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request that the Group pays the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amounts of the transferred but unsettled bills receivable, and as of March 31, 2019, December 31, 2018 and March 31, 2019, the face amounts of these unsettled bills receivable were $2,234,316 thousand, $2,906,763 thousand and $2,570,051 thousand, respectively. The unsettled bills receivable will be due in 10 months, 9 months and 15 months, after March 31, 2019, December 31, 2018 and March 31, 2019, respectively. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the three months ended March 31, 2019 and 2018, the Group did not recognized gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are as follows:

a. Name of the related parties and relationships

Related Party	Relationship with the Group
Onyx Ta-Ho Waste Clearance Co., Ltd.	Subsidiary of associates
ONYX Ta-Ho Environmental Services Co., Ltd.	Associates
Shih Hsin Storage & Transportation Co., Ltd.	Associates
Quon Hing Concrete Co., Ltd. (Quon Hing)	Associates
Prosperity Conch Cement Company Limited	Associates
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Associates
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Associates
CCC USA Corp.	Associates
Hong Kong Concrete Co., Ltd.	Associates
E-ONE Moli Energy Corporation	Associates
International CSRC Investment Holdings Co., Ltd.	Associates (same key management personnel in the three months ended 2018)
Dutch OYAK TCC Holding B.V.	Associates
Chia Hsin R.M.C. Corp.	Management personnel in substance
The Koo Foundation	Management personnel in substance
Chia Hsin Cement Corporation	Management personnel in substance
L'Hotel de Chine Corporation	Management personnel in substance
FDC International Hotels Corporation	Management personnel in substance
Jiangsu Union Cement Co., Ltd.	Management personnel in substance
Chia Hsin Properity Management and Development Corp.	Management personnel in substance
Goldsun Development & Construction Co., Ltd.	Investors with significant influence over the Group
China Hi-Ment Corporation	The Group acts as key management personnel
Rong Gong Enterprise Co.	The Group acts as key management personnel
O-Bank Co., Ltd.	The Group acts as key management personnel
Pan Asia Corporation	The Group acts as key management personnel

(Continued)

Related Party	Relationship with the Group
Chinatrust Investment Co., Ltd.	Same key management personnel
Consolidated Resource Company	Same key management personnel
CSRC China (Maanshan) Corporation	Same key management personnel
CSRC China (Anshan) Corporation	Same key management personnel
Chienten Temple	Same key management personnel
He Feng Investment Co., Ltd. (dissolved and closed in March 2019)	Same key management personnel
China (Chongqing) Synthetic Rubber Corporation	Same key management personnel
Dr. Cecilla Koo Botanic Conservation and Environmental Protection Foundation	Same key management personnel
Continental Carbon India Ltd.	Same key management personnel
Linyuan Advanced Materials Technology Co. Ltd.	Same key management personnel
Fortune Quality investment Limited	Same key management personnel

(Concluded)

b. Operating transactions

	For the Three Months Ended March 31	
	2019	2018
Sales		
Management personnel in substance	$ 121,982	$ 105,093
Associates	85,454	81,756
The Group acts as key management personnel	46,679	46,478
Same key management personnel	44,092	35,493
Investors with significant influence over the Group	36,235	18,817
	$ 334,442	$ 287,637
Purchases of goods and operating expenses		
The Group acts as key management personnel	$ 133,015	$ 109,920
Associates	30,832	32,077
Same key management personnel	16,126	20,270
Others	10,531	12,993
	$ 190,504	$ 175,260

Notes receivable and accounts receivable from related parties were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Management personnel in substance			
Chia Hsin Cement Corporation	$ 114,923	$ 112,833	$ 68,327
Others	2,372	8,577	10,338
	117,295	121,410	78,665
Associates			
Quon Hing Concrete Co., Ltd.	47,927	34,651	47,587
Others	3,489	18,406	5,393
	51,416	53,057	52,980
The Group acts as key management personnel			
China Hi-Ment Corporation	28,327	42,627	$ 39,446
Others	515	515	-
	28,842	43,142	39,446
Investors with significant influence over the Group			
Goldsun Development & Construction Co., Ltd.	37,327	40,887	10,962
Same key management personnel	29,758	13,122	23,802
	$ 264,638	$ 271,618	$ 205,855

Accounts payable to related parties (included in notes and accounts payable) were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
The Group acts as key management personnel	$ 146,037	$ 164,614	$ 75,781
Management personnel in substance	14,831	5,833	1,883
Associates	6,544	10,720	11,908
Same key management personnel	5,498	13,949	7,771
Others	4	4	-
	$ 172,914	$ 195,120	$ 97,343

The price and terms of the above transactions were similar to those for third parties. Rentals of lease contracts with related parties were based on market prices and the payment terms were determined at arm’s length.

c. Other receivables from related parties (included in other current assets)

	March 31, 2019	December 31, 2018	March 31, 2018
Associates	$ 35,353	20,633	35,592
Same key management personnel	417	236	2,083
Management personnel in substance	87	3,231	1,000
	$ 35,857	$ 24,100	$ 38,675

Other receivables from related parties above included dividend receivables and interest receivables.

d. Loans from related parties (included in other payables to related parties)

	March 31, 2019	December 31, 2018	March 31, 2018
Associates			
Dutch OYAK TCC Holdings B.V.	$ 8,398,413	$ -	$ -

	For the Three Months Ended March 31	
	2019	2018
Interest expense		
Dutch OYAK TCC Holdings B.V.	$ 9,076	$ -

The borrowing rate of loans from related parties is equivalent to market rate.

e. Other payables to related parties

	March 31, 2019	December 31, 2018	March 31, 2018
Associates			
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	$ 4,129	$ 4,018	$ 4,166
Others	55	55	37
	4,184	4,073	4,203
Management personnel in substance			
L' Hotel de Chine Corporation	3,828	2,610	10
Others	678	209	-
	4,506	2,819	10
Others	-	-	262
	$ 8,690	$ 6,892	$ 4,475

f. Lease arrangements

	For the Three Months Ended March 31	
	2019	2018
Acquisition of right-of-use assets		
Management personnel in substance	$ 20,305	$ -

Line Item	Related Party Category	March 31, 2019	December 31, 2018	March 31, 2018
Lease liabilities	Management personnel in substance	$ 19,568	$ -	$ -

Related Party Category	For the Three Months Ended March 31	
	2019	2018
Interest expense		
Management personnel in substance	$ 30	$ -

The lease contracts between the Group and related parties were based on market price and general terms of payment.

g. Compensation of key management personnel

The compensation of directors and other key management personnel for the three months ended March 31, 2019 was as follows:

	For the Three Months Ended March 31	
	2019	2018
Short-term employee benefits	$ 120,541	$ 79,290
Post-employment benefits	1,177	1,171
	$ 121,718	$ 80,461

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged or mortgaged as collateral for certain short-term loans, long-term loans, performance bonds and other credit accommodations:

	March 31, 2019	December 31, 2018	March 31, 2018
Financial assets at fair value through other comprehensive income (including current and non-current portion)	$ 271,040	$ 251,090	354,781
Property, plant and equipment	4,102,237	4,146,933	2,448,413
Investments accounted for using the equity method	80,845	75,332	-
Investment properties	872,780	876,670	278,679
Finance lease receivables (including current and non-current portion)	-	14,623,834	15,653,040
Pledged bank deposits			
Current (included in financial assets at amortized cost)	278,809	281,690	390,709
Non-current (included in other non-current assets)	497,859	470,199	387,151
	$ 6,103,570	$ 20,725,748	$ 19,512,773

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. The balances of the unused letters of credit for purchase of raw material were as follows:

Name	March 31, 2019	December 31, 2018	March 31, 2018
The Corporation	$ 152,075	$ 388,405	$ 240,542
Taiwan Prosperity Chemical Corporation	1,201,002	1,452,453	1,598,846
Ho-Ping Power Company	943,272	921,843	1,242,647

b. As of March 31, 2018, the Corporation had issued bills of lading for finished goods in the amount of 286,000 tons as collateral for its credit facilities with financial institutions.

c. The amounts of letters of guarantee granted and issued by the banks for the Group are as follows:

Name	March 31, 2019	December 31, 2018	March 31, 2018
The Corporation	$ 22,120	$ 22,120	$ 40,220
Ho-Ping Power Company	1,148,000	1,148,000	1,148,000
Taiwan Prosperity Chemical Corporation	256,769	249,490	51,000
TCCI (Group)	320,210	248,924	374,246
Taiwan Transport & Storage Corporation	36,150	28,150	28,150

d. Ta-Ho RSEA Environment Co., Ltd.

Company Name	Ta-Ho RSEA Environment Co., Ltd.
Factual background	In respect of the termination of the "Build-Own-Operate Agreement for Waste Incineration Plant" (the "BOO Agreement") entered into by and between Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government, the arbitration award decided on was that Yunlin County Government shall pay Ta-Ho RSEA Environment Co., Ltd. $1.5 billion before November 30, 2008 as a Phase I payment and the remainder as a Phase II payment in the aggregate amount of about $1.44 billion (including $1,387,000 thousand, US$1,706 thousand and JPY307 thousand) before June 30, 2009, and Ta-Ho RSEA Environment Co., Ltd. shall transfer the assets under the BOO Agreement to the Yunlin County Government at the same time.
Amount in dispute (NT$)	About $2.94 billion.
Commencement date of litigation	The arbitration award was rendered on October 1, 2008.
Parties	Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government.
Status	Ta-Ho RSEA Environment Co., Ltd. has applied for compulsory execution for the total payment awarded by the arbitration and, thus far, has received the principal together with the interest in the amount of about $3.54 billion (tax included). Furthermore, the dispute of the interest in the amount of about $270,000 thousand is now under review of interlocutory appeal. If the order is in favor of Ta-Ho RSEA Environment Co., Ltd., it will continue to execute the compensation plan.

Company Name	Ta-Ho RSEA Environment Co., Ltd.
Factual background	According to the Article 10.5 of the “Build-Own-Operate Agreement for Waste Incineration Plant” (the “BOO Agreement”) entered into by and between Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government, in the event that BOO Agreement is terminated due to an event attributable to the Yunlin County Government, the assets of the Linnei Factory shall be transferred to the Yunlin County Government. However, the Yunlin County Government has consistently refused to receive the assets of the Linnei Factory. Ta-Ho RSEA Environment Co., Ltd. has therefore managed Linnei Incinerator for and on behalf of the Yunlin County Government since the termination of the BOO Agreement on October 30, 2006. The management expenses have amounted to NT$137,524 thousand as of December 31, 2017. The payment award rendered under the arbitration between Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government is around NT$2.9 billion excluding business tax. After the Arbitration award, the Revenue Service Bureau of the Yunlin County advised that the income derived from the award shall be subject to business tax, which is decided to be NT$165,591 thousand.
Amount in dispute (NT$)	About $303 million
Commencement date of litigation	Arbitration request has been applied on February 15, 2019.
Parties	Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government
Status	Arbitral Tribunal has established in April 2019. Now the parties await the notices of the date of the initial oral hearing form the Chinese Arbitration Association.

e. Ho-Ping Power Company

Company Name	Ho-Ping Power Company
Factual background	The Fair Trade Commission fined Ho-Ping Power Company $1.35 billion for an alleged violation of Article 14 of the Fair Trade Act.
Amount in dispute (NT$)	$1.35 billion.
Commencement date of litigation	March 2013
Parties	Ho-Ping Power Company and the Fair Trade Commission
Status	The Fair Trade Commission made a second administrative disposition in November 2013 and reduced the amount of the fine imposed on Ho-Ping Power Company to $1,320,000 thousand. On June 30, 2015, the Supreme Administrative Court overruled the original judgment in favor of Ho-Ping Power Company and remanded the case for retrial to the Taipei High Administrative Court. On May 25, 2017, the Taipei High Administrative Court ruled in favor of Ho-Ping Power Company by ruling that "the original disposition and decision of administrative appeal, which determined that Ho-Ping Power Company committed concerted action, shall be dismissed." On the appeal part of the participant Taiwan Power Company, the Supreme Administrative Court made the ruling of "Appeal Rejection" on September 6, 2018 (Ref. No. 107 Nian-Du-Cai-Zi-Di 1380). In the case of another appellant (the Fair Trade Commission), the Supreme Administrative Court overruled the original judgment by rendering the judgment (Ref. No. 107 Nian-Du-Pan-Zi 550) on the same day, and remanded the case to the Taipei High Administrative Court for retrial. The case is currently under review by the Taipei High Administrative Court (Ref. No. 107 Nian-Du-Su-Geng-Er-Zi 116). In accordance with the accounting conservatism principle, Ho-Ping Power Company recognized relevant losses in 2012 and paid a fine of $1,254,000 thousand as of March 31, 2019. The outstanding fine was recognized by Ho-Ping Power Company under (i) other payables of $66,000 thousand as of March 31, 2019 (ii) other payables of $132,000 thousand as of December 31, 2018 and (iii) other payables of $264,000 thousand and other non-current liabilities of $66,000 thousand as of March 31, 2018.

Company Name	Ho-Ping Power Company
Factual background	Taiwan Power Company filed a lawsuit against Ho-Ping Power Company at the Taipei High Administrative Court claiming for its losses of at least $5.2 billion plus interest, which was then expanded to $10.76 billion, and filed another civil litigation at the Taipei District Court claiming for $5.5 billion.
Amount in dispute (NT$)	About $16 billion in total.
Commencement date of litigation	September 2015
Parties	Ho-Ping Power Company and Taiwan Power Company.
Status	1) There are 2 outstanding litigations against Taiwan Power Company: a) In September 2015, Ho-Ping Power Company received an administrative pleading submitted by Taiwan Power Company to the Taipei High Administrative Court, which was transferred to the Taipei District Court in February 2017, and expanded the claim amount to $10.76 billion. The case is now under review by the Taipei District Court after Taiwan Power Company paid court fees in November 2017. b) In November 2015, Ho-Ping Power Company received a complaint of civil litigation brought by Taiwan Power Company at the Taipei District Court based on the same ground of the aforementioned administrative litigation. The case is currently under review by the Taipei District Court. 2) Taiwan Power Company filed a lawsuit against other independent power producers based on the same ground, which was overruled by the Taipei District Court on February and June 2018. Ho-Ping Power Company will report such court decision to the Taipei District Court to pursue a favorable judgment. 3) Given such situations, Ho-Ping Power Company considered the chance of losing the litigations remote and, therefore, did not recognize relevant losses.

f. To execute the cement barge replacement plan, Da-Ho Maritime Corporation, based on its board of directors' resolution dated December 20, 2013, entered into an agreement with Supero Seiki Co., Ltd. for the purchase of two sets of bulk cement handling equipment in the aggregate amount of US$7,600 thousand, among which US$6,132 thousand was paid as of the date that this report was issued.

   Based on another resolution from the board of directors dated July 31, 2015, Da-Ho Maritime Corporation entered into an agreement with Cardinal Maritime S.A. for the purchase of two new cement barges in the aggregate amount of JPY7,036,000 thousand, among which JPY3,342,100 thousand had been paid as of the date of this financial report was approved. The board of directors adopted resolution dated October 15, 2015 to purchase six bulk carriers from Sumitomo Corporation. The actual agreement with Sumitomo Corporation is to purchase four bulk carriers in the aggregate amount of US$107,680 thousand, and US$75,966 thousand has been paid as of the date this report was issued.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

March 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 105,559	30.820 (USD:NTD)	$ 3,253,328
USD	17,018	6.709 (USD:RMB)	524,487
HKD	334,650	0.855 (HKD:RMB)	1,313,836
			$ 5,091,651
Non-monetary items			
EUR	814,287	34.61 (EUR:NTD)	$ 28,182,464
Financial liabilities			
Monetary items			
USD	27,463	30.820 (USD:NTD)	$ 846,407
USD	286,500	7.850 (USD:HKD)	8,829,672
HKD	105,399	0.855 (HKD:RMB)	413,795
			$ 10,089,874

December 31, 2018

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 124,083	30.715 (USD:NTD)	$ 3,811,209
USD	17,928	6.868 (USD:RMB)	550,421
USD	20,572	7.830 (USD:HKD)	631,584
HKD	254,650	0.877 (HKD:RMB)	998,483
			$ 5,991,697
Non-monetary items			
EUR	825,888	35.20 (EUR:NTD)	$ 29,071,244

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 31,302	30.715 (USD:NTD)	$ 961,432
USD	328,705	7.830 (USD:HKD)	10,091,720
HKD	131,678	0.877 (HKD:RMB)	516,308
			$ 11,569,460

(Concluded)

March 31, 2018

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 62,692	29.105 (USD:NTD)	$ 1,824,651
USD	38,582	6.248 (USD:RMB)	1,117,306
USD	4,562	7.810 (USD:HKD)	132,122
HKD	257,677	0.800 (HKD:RMB)	955,468
			$ 4,029,547
Financial liabilities			
Monetary items			
USD	50,106	29.105 (USD:NTD)	$ 1,458,323
USD	1,502,000	7.810 (USD:HKD)	43,497,139
HKD	136,857	0.800 (HKD:RMB)	507,467
			$ 45,462,929

For the three months ended March 31, 2019 and 2018, realized and unrealized net foreign exchange losses were $8,752 thousand and $28,083 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 3)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the share capital (Table 4)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the share capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the share capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the share capital (Table 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the share capital (Table 6)

9) Trading in derivative instruments (None)

10) Intercompany relationships and significant intercompany transactions (Table 9)

11) Information on investees (Table 7)

b. Information on investments in mainland China (Table 8)

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

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to the 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 receipt of services

36. 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 segment. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

a. Cement segment - production, processing and sale of cement goods.

b. Chemical engineering segment - production, processing and sale of chemical raw materials.

c. Electricity segment - thermal power generation.

d. Other segments - land and marine transportation.
   - production and sale of refractory materials.
   - others.

The Corporation uses the profit from operations as the measure for segment income and the basis of performance assessment. There was no material difference between the accounting policies of the operating segments and the accounting policies described in Note 4.

Segment revenue and results

	Segment Revenue For the Three Months Ended March 31		Segment Income For the Three Months Ended March 31	
	2019	2018	2019	2018
Cement segment	$ 18,892,772	$ 18,772,279	$ 3,966,406	$ 4,204,272
Chemical engineering segment	2,503,206	3,496,168	(148,357)	66,245
Electricity segment	3,041,574	1,159,835	1,150,625	276,221
Other segments	918,776	750,932	104,395	121,788
	$ 25,356,328	$ 24,179,214	5,073,069	4,668,526
Share of profit of associates and joint ventures			448,149	414,507
Interest income			184,613	77,738
Finance costs			(535,879)	(538,695)
Foreign exchange losses, net			(8,752)	(28,083)
Administrative expenses and directors' remuneration			(40,107)	(17,835)
Net gain on financial assets and liabilities at fair value through profit and loss			108,592	11,740
Other income and expenses, net			373,810	29,690
Income before tax			$ 5,603,495	$ 4,617,588

Segment profit represented profit before tax earned by each segment without an allocation of central administrative expenses, directors' remuneration, the share of profit of associates and joint ventures accounted for by using the equity method, interest income, finance costs, unrealized net foreign exchange losses and income tax expense.

37. SIGNIFICANT EVENTS AFTER REPORTING PERIODS

a. The board of directors of the subsidiary, TCC (Hangzhou) Environment Co., Ltd., has resolved to obtain the land use rights for relocation of new Hanzhou office on April 30, 2019 in the amount of RMB885,320 thousand.

   To build the office building, the Corporation's board of directors has resolved to invest RMB3.5 billion and grant the Chairman full authority to deal with related matters for the Corporation or the subsidiary.

b. The Corporation contemplates to repurchase 10,000 thousand shares of ordinary shares for transfer to employees.

c. In order to participate in the collective treatment of waste by the cement industry (kilns) in Hualien as Build-Own-Operate, the Corporation contemplates to invest about NT$600 million to assist Hualien County Government in the treatment of garbage and non-toxic industrial waste.

d. The Corporation's board of directors has resolved to issue unsecured corporate bonds with total value less than NT$30 billion in May 2018, which may be issued at once or by installments subject to the market condition, and the first issuance of 2018 will be in June 2018 with a value of NT$12 billion. The Corporation will continue issuing unsecured corporate bonds with a value of NT$18 billion.

TABLE 1

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
1	Taiwan Transport & Storage Corporation	TCC Chemical Corporation	Other receivables - related parties	Yes	$ 300,000	$ 300,000	$ 300,000	1.54	The need for short-term financing	$ -	Operating capital	$ -		$ -	$ 866,327	$ 866,327	
2	Taiwan Cement Engineering Corporation	TCC Chemical Corporation	Other receivables - related parties	Yes	200,000	200,000	200,000	1.54	The need for short-term financing	-	Operating capital	-		-	291,726	291,726	
3	TCC Green Energy Corporation	TCC KAO-CHENG Green Energy Corporation	Other receivables - related parties	Yes	5,000	3,000	-	-	The need for short-term financing	-	Operating capital	-		-	591,272	591,272	
		TCC LIAN-SHEN Green Energy Corporation	Other receivables - related parties	Yes	5,000	3,000	-	-	The need for short-term financing	-	Operating capital	-		-	591,272	591,272	
4	TCC Investment Corporation	Jin Chang Minerals Corporation	Other receivables - related parties	Yes	330,000	330,000	160,000	1.54	The need for short-term financing	-	Operating capital	-		-	1,239,882	1,239,882	
5	TCCI	TCCIH	Other receivables - related parties	Yes	3,698,400	3,698,400	3,698,400	3.60	The need for short-term financing	-	Operating capital	-		-	85,977,024	171,954,047	
6	Yingde Dragon Mountain Cement Co., Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	918,684	918,684	-	-	The need for short-term financing	-	Operating capital	-		-	13,239,018	26,478,035	
		TCC Liaoning Cement Company Limited	Other receivables - related parties	Yes	1,047,300	1,047,300	1,047,300	3.05	The need for short-term financing	-	Operating capital	-		-	13,239,018	26,478,035	
7	TCC (Guigang) Cement Ltd.	TCC Huaying Cement Company Limited	Other receivables - related parties	Yes	1,322,905	1,322,905	183,737	3.48	The need for short-term financing	-	Operating capital	-		-	22,435,093	44,870,187	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables - related parties	Yes	91,868	91,868	-	-	The need for short-term financing	-	Operating capital	-		-	22,435,093	44,870,187	
		Guizhou Kong On Cement Company Limited	Other receivables - related parties	Yes	298,572	298,572	-	-	The need for short-term financing	-	Operating capital	-		-	22,435,093	44,870,187	
		TCC Anshun Cement Company Limited	Other receivables - related parties	Yes	459,342	459,342	-	-	The need for short-term financing	-	Operating capital	-		-	22,435,093	44,870,187	
		TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	459,342	459,342	-	-	The need for short-term financing	-	Operating capital	-		-	22,435,093	44,870,187	
		Scitus Naxi Cement Co., Ltd	Other receivables - related parties	Yes	459,342	459,342	-	-	The need for short-term financing	-	Operating capital	-		-	22,435,093	44,870,187	
		TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	918,684	918,684	-	-	The need for short-term financing	-	Operating capital	-		-	22,435,093	44,870,187	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	1,286,158	1,286,158	-	-	The need for short-term financing	-	Operating capital	-		-	22,435,093	44,870,187	
		TCC Jingzhou Cement Company Limited	Other receivables - related parties	Yes	689,013	689,013	597,145	3.48	The need for short-term financing	-	Operating capital	-		-	22,435,093	44,870,187	
8	TCC Yingde Cement Co., Ltd.	TCC Jingzhou Cement Company Limited	Other receivables - related parties	Yes	229,671	229,671	-	-	The need for short-term financing	-	Operating capital	-		-	21,274,459	42,548,918	
		TCC (Dong Guan) Cement Company Limited	Other receivables - related parties	Yes	459,342	459,342	-	-	The need for short-term financing	-	Operating capital	-		-	21,274,459	42,548,918	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	689,013	689,013	-	-	The need for short-term financing	-	Operating capital	-		-	21,274,459	42,548,918	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	826,816	826,816	-	-	The need for short-term financing	-	Operating capital	-		-	21,274,459	42,548,918	
		TCC Anshun Cement Company Limited	Other receivables - related parties	Yes	918,684	918,684	-	-	The need for short-term financing	-	Operating capital	-		-	21,274,459	42,548,918	
		TCC Guangan Cement Company Ltd.	Other receivables - related parties	Yes	918,684	918,684	-	-	The need for short-term financing	-	Operating capital	-		-	21,274,459	42,548,918	
		Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	229,671	229,671	68,901	3.48	The need for short-term financing	-	Operating capital	-		-	21,274,459	42,548,918	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral Item	Collateral Value	Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
		TCC Liaoning Cement Company Limited	Other receivables - related parties	Yes	$ 229,671	$ 229,671	$ 91,868	3.48	The need for short-term financing	$ -	Operating capital	$ -		$ -	$ 21,274,459	$ 42,548,918	
		Guizhou Kong On Cement Company Limited	Other receivables - related parties	Yes	459,342	459,342	142,396	3.48	The need for short-term financing	-	Operating capital	-		-	21,274,459	42,548,918	
		TCC Chongqing Cement Company Limited	Other receivables - related parties	Yes	459,342	459,342	183,737	3.48	The need for short-term financing		Operating capital	-		-	21,274,459	42,548,918	
		TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	918,684	918,684	310,056	3.48	The need for short-term financing	-	Operating capital	-		-	21,274,459	42,548,918	
		TCC Shaoguan Cement Co., Limited	Other receivables - related parties	Yes	340,328	340,328	340,328	3.68	The need for short-term financing	-	Operating capital	-		-	21,274,459	42,548,918	
9	TCC Fuzhou Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	229,671	229,671	-	-	The need for short-term financing	-	Operating capital	-		-	913,950	2,741,851	
		TCC New (Hangzhou) Management Company Limited	Other receivables - related parties	Yes	459,342	459,342	-	-	The need for short-term financing	-	Operating capital	-		-	913,950	2,741,851	
		TCC Liaoning Cement Company Limited	Other receivables - related parties	Yes	321,539	321,539	137,803	3.48	The need for short-term financing	-	Operating capital	-		-	913,950	2,741,851	
10	TCCIH	TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	238,953	238,953	238,953	-	The need for short-term financing	-	Operating capital	-		-	115,526,419	231,052,838	
11	Prime York Ltd.	Upper Value Investment Limited	Other receivables - related parties	Yes	200,226	200,226	200,226	-	The need for short-term financing	-	Operating capital	-		-	2,744,776	5,489,552	
12	Jurong TCC Cement Co., Ltd.	TCC Yingde Cement Co., Ltd	Other receivables - related parties	Yes	459,342	459,342	-	-	The need for short-term financing	-	Operating capital	-		-	12,568,688	25,137,376	
		TCC Guangan Cement Company Ltd.	Other receivables - related parties	Yes	459,342	459,342	-	-	The need for short-term financing	-	Operating capital	-		-	12,568,688	25,137,376	
		TCC Anshun Cement Company Limited	Other receivables - related parties	Yes	918,684	918,684	-	-	The need for short-term financing	-	Operating capital	-		-	12,568,688	25,137,376	
		TCC Huaihua Concrete Company Limited	Other receivables - related parties	Yes	137,803	137,803	41,341	3.48	The need for short-term financing	-	Operating capital	-		-	12,568,688	25,137,376	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	689,013	689,013	91,868	3.48	The need for short-term financing	-	Operating capital	-		-	12,568,688	25,137,376	
		Guizhou Kong On Cement Company Limited	Other receivables - related parties	Yes	321,539	321,539	101,055	3.48	The need for short-term financing	-	Operating capital	-		-	12,568,688	25,137,376	
		TCC Liaoning Cement Company Limited	Other receivables - related parties	Yes	321,539	321,539	298,572	3.48	The need for short-term financing	-	Operating capital	-		-	12,568,688	25,137,376	
		TCC Chongqing Cement Company Limited	Other receivables - related parties	Yes	918,684	918,684	505,276	3.48	The need for short-term financing	-	Operating capital	-		-	12,568,688	25,137,376	
		TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	1,378,026	1,378,026	1,309,125	3.48	The need for short-term financing	-	Operating capital	-		-	12,568,688	25,137,376	
13	TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Other receivables - related parties	Yes	91,868	91,868	-	-	The need for short-term financing	-	Operating capital	-		-	7,539,877	15,079,753	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	137,803	137,803	-	-	The need for short-term financing	-	Operating capital	-		-	7,539,877	15,079,753	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables - related parties	Yes	137,803	137,803	-	-	The need for short-term financing	-	Operating capital	-		-	7,539,877	15,079,753	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	137,803	137,803	137,803	3.48	The need for short-term financing	-	Operating capital	-		-	7,539,877	15,079,753	
		Guizhou Kong On Cement Company Limited	Other receivables - related parties	Yes	275,605	275,605	252,638	3.48	The need for short-term financing	-	Operating capital	-		-	7,539,877	15,079,753	
		TCC Chongqing Cement Company Limited	Other receivables - related parties	Yes	918,684	918,684	597,145	3.48	The need for short-term financing	-	Operating capital	-		-	7,539,877	15,079,753	
		TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	689,013	689,013	689,013	3.48	The need for short-term financing	-	Operating capital	-		-	7,539,877	15,079,753	
14	TCC Guangan Cement Company Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	91,868	91,868	-	-	The need for short-term financing	-	Operating capital	-		-	3,951,070	7,902,141	
		Scitus Luzhou Cement Co., Ltd	Other receivables - related parties	Yes	137,803	137,803	137,803	3.48	The need for short-term financing	-	Operating capital	-		-	3,951,070	7,902,141	
		TCC Huaying Cement Company Limited	Other receivables - related parties	Yes	459,342	459,342	367,474	3.48	The need for short-term financing	-	Operating capital	-		-	3,951,070	7,902,141	
15	Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	61,567	61,567	61,567	-	The need for short-term financing	-	Operating capital	-		-	3,801,436	7,602,872	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
16	TCC Chongqing Cement Company Limited	TCC Jingzhou Cement Company Limited	Other receivables - related parties	Yes	$ 91,868	$ 91,868	$ -	-	The need for short-term financing	$ -	Operating capital	$ -		$ -	$ 6,866,396	$ 13,732,791	
		TCC Huaying Cement Company Limited	Other receivables - related parties	Yes	114,836	114,836	-	-	The need for short-term financing	-	Operating capital	-		-	6,866,396	13,732,791	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	229,671	229,671	-	-	The need for short-term financing	-	Operating capital	-		-	6,866,396	13,732,791	
		TCC Guangan Cement Company Ltd.	Other receivables - related parties	Yes	459,342	459,342	-	-	The need for short-term financing	-	Operating capital	-		-	6,866,396	13,732,791	
		Guizhou Kong On Cement Company Limited	Other receivables - related parties	Yes	137,803	137,803	13,780	3.48	The need for short-term financing	-	Operating capital	-		-	6,866,396	13,732,791	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	229,671	229,671	45,934	3.48	The need for short-term financing	-	Operating capital	-		-	6,866,396	13,732,791	
		Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	137,803	137,803	137,803	3.48	The need for short-term financing	-	Operating capital	-		-	6,866,396	13,732,791	
		TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	689,013	689,013	564,531	3.48	The need for short-term financing	-	Operating capital	-		-	6,866,396	13,732,791	
17	TCC New (Hangzhou) Management Company Limited	Scitus Luzhou Concrete Co., Ltd.	Other receivables - related parties	Yes	36,747	36,747	-	-	The need for short-term financing	-	Operating capital	-		-	603,818	1,207,636	
		Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	252,638	252,638	202,110	3.48	The need for short-term financing	-	Operating capital	-		-	603,818	1,207,636	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	284,792	284,792	238,858	3.48	The need for short-term financing	-	Operating capital	-		-	603,818	1,207,636	
18	Prosperity Minerals (China) Ltd.	TCC New (Hangzhou) Management Company Limited	Other receivables - related parties	Yes	366,310	366,310	366,310	-	The need for short-term financing	-	Operating capital	-		-	977,325	1,954,651	
19	Da Tong (Guigang) International Logistics Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	Other receivables - related parties	Yes	137,803	137,803	-	-	The need for short-term financing	-	Operating capital	-		-	638,868	1,277,736	
20	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	137,803	137,803	137,803	3.48	The need for short-term financing	-	Operating capital	-		-	3,752,232	7,504,463	
21	TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Other receivables - related parties	Yes	91,868	91,868	-	-	The need for short-term financing	-	Operating capital	-		-	2,700,898	5,401,796	
22	Scitus Luzhou Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	91,868	91,868	-	-	The need for short-term financing	-	Operating capital	-		-	2,511,209	5,022,418	

Note 1: "Financing Limits for Each Borrower" and "Aggregate Financing Limits":

A. For Taiwan Cement Corporation, financing limits are as follows:

a. Where a business relationship exists, the individual financing limits were the total transaction amounts with the borrower and 20% of Taiwan Cement Corporation's net equity in the recent year.
b. Where there is a need for a short-term financing facility, the individual financing limits were 20% of Taiwan Cement Corporation's net equity as stated in its latest financial statements.
c. For the above items a and b, the aggregate financing limits were 40% of Taiwan Cement Corporation's net equity as stated in its latest financial statements.

B. The restrictions above in paragraph A, subparagraphs b and c shall not apply to inter-company loans of funds between foreign companies of which Taiwan Cement Corporation holds, directly or indirectly, 100% of the voting shares. The aggregate and individual financing limits for the companies were 200% and 100%, respectively, of the net equity of each company as stated in their respective latest financial statements. In addition, the aggregate and individual financing limits for TCC International Ltd. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Fuzhou Cement Co., Ltd. were 300% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC New (Hangzhou) Management Company Limited were 600% and 300%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Prosperity Minerals (China) Ltd. were 400% and 200%, respectively, of its net equity as stated in its latest financial statements.

Note 2: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TABLE 2

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on 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 2)	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	Note
		Name	Relationship (Note 3)											
0	Taiwan Cement Corporation	Jin Chang Minerals Corporation	b	$ 97,065,870	$ 68,848	$ 68,848	$ 39,814	$ 39,814	0.04	$ 194,131,739	Yes	No	No	
		Ho Sheng Mining Co., Ltd.	b	97,065,870	99,884	99,884	99,884	99,884	0.05	194,131,739	Yes	No	No	
		Union Cement Traders Inc.	b	97,065,870	1,420,000	1,420,000	840,000	-	0.73	194,131,739	Yes	No	No	
		TCC Chemical Corporation	b	97,065,870	1,499,117	1,499,117	641,117	-	0.77	194,131,739	Yes	No	No	
		TCC Investment Corporation	b	97,065,870	2,570,000	2,570,000	1,840,000	-	1.32	194,131,739	Yes	No	No	
		TCCI	b	97,065,870	29,001,620	29,001,620	5,054,480	-	14.94	194,131,739	Yes	No	No	
		OYAK CEMENT PORTUGAL S.A.	f	97,065,870	3,082,000	3,082,000	-	-	1.59	194,131,739	No	No	No	
1	Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	c	375,351	137,462	137,462	137,462	-	109.87	375,351	No	Yes	No	
2	TCC Green Energy Corporation	TCC Chemical Corporation	a	1,478,180	6,117	6,117	6,117	-	0.41	1,478,180	No	No	No	
3	TCCIH	Guizhou Kong On Cement Company Limited	b	57,763,209	311,282	311,282	-	-	0.27	115,526,419	Yes	No	Yes	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	b	57,763,209	616,400	616,400	-	-	0.53	115,526,419	Yes	No	Yes	
		Scitus Luzhou Cement Co., Ltd.	b	57,763,209	924,600	924,600	-	-	0.80	115,526,419	Yes	No	Yes	
		TCC Anshun Cement Co., Ltd		57,763,209	689,013	689,013	-	-	0.60	115,526,419	Yes	No	Yes	
		TCC Liaoning Cement Company Limited	b	57,763,209	920,163	920,163	-	-	0.80	115,526,419	Yes	No	Yes	
		Jurong TCC Cement Co., Ltd.	b	57,763,209	3,351,119	3,351,119	-	-	2.90	115,526,419	Yes	No	Yes	
		TCC Fuzhou Cement Co., Ltd.	b	57,763,209	1,214,438	1,214,438	45,934	-	1.05	115,526,419	Yes	No	Yes	
		TCC Chongqing Cement Company Limited	b	57,763,209	1,865,660	1,865,660	-	-	1.61	115,526,419	Yes	No	Yes	
		TCC Yingde Cement Co., Ltd.	b	57,763,209	2,704,481	2,704,481	302,307	-	2.34	115,526,419	Yes	No	Yes	
		TCC (Guigang) Cement Ltd.	b	57,763,209	11,655,839	11,655,839	1,195,993	-	10.09	115,526,419	Yes	No	Yes	

Note 1: Limits on endorsement/guarantee given on behalf of each party were as follows:

a. i. For endorsement/guarantee given by Taiwan Cement Corporation due to business transactions, 50% of the business transaction amounts in the previous year.
ii. Except for i, the aggregate and individual endorsement/guarantee given by Taiwan Cement Corporation were the net equity in its respective latest financial statements and 50% of the net equity in its respective latest financial statements.

b. Ho Sheng Mining Co., Ltd. guaranteed by land lease agreement.

c. Jin Chang Minerals Corporation guaranteed by deposit contract.

Note 2: Aggregate endorsement/guarantee limit was 300% of its net equity in its latest financial statements for Ho Sheng Mining Co., Ltd., and the limit for other the endorsers/guarantors was the net equity in their respective latest financial statements.

Note 3: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

a. Having a business relationship.
b. The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.
c. The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
d. Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.
e. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or joint builders for purposes of undertaking a construction project.
f. Due to joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
g. Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

TABLE 3

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2019
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2019				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan Cement Corporation	Ordinary shares							
	Chien Kuo Construction Co., Ltd.	-	FVTPL - current	9,403	$ 97,318	-	$ 97,318	
	Taiwan Television Enterprise, Ltd.	The Corporation serves as supervisor	FVTPL - current	13,573	82,116	-	82,116	
	Chinatrust Financial Holding Co., Ltd.	-	FVTPL - current	3,576	73,121	-	73,121	
	China Hi-Ment Corporation	The Corporation serves as director	FVTOCI - current	30,196	1,561,141	-	1,561,141	
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	61,149	859,142	-	859,142	
	CTCI Corporation	-	FVTOCI - current	9,054	434,609	-	434,609	
	Chia Hsin Cement Corporation	Directors	FVTOCI - current	27,419	416,775	-	416,775	
	O-Bank	The Corporation serves as director	FVTOCI - current	29,719	232,997	-	232,997	
	IBT II Venture Capital Corporation	-	FVTOCI - non-current	2,626	19,093	8.3	19,093	
	Rong Gong Enterprise Co.	The Corporation serves as supervisor	FVTOCI - non-current	3,390	12,102	4.0	12,102	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	29,553	1,065,666	9.4	1,065,666	
	Pan Asia Corporation	The Corporation serves as supervisor	FVTOCI - non-current	6,204	8,996	5.4	8,996	
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	45,983	3,563,657	6.6	3,563,657	
	Excel Corporation	-	FVTOCI - non-current	600	-	9.5	-	
	Preference shares							
	O-Bank	The Corporation serves as director	FVTOCI - current	2,956	30,741	-	30,741	
Taiwan Transport & Storage Corporation	Ordinary shares							
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,632	131,200	-	131,200	
TCC Investment Corporation	Ordinary shares							
	O-Bank	The Corporation serves as director	FVTOCI - current	21,934	171,962	-	171,962	21,000 thousand shares were pledged
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	11,697	164,347	-	164,347	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,334	126,676	-	126,676	7,000 thousand shares were pledged
	China Conch Venture Holdings Limited	-	FVTOCI - non-current	28,000	3,088,977	-	3,088,977	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,884	392,472	3.5	392,472	
	Pan Asia Corporation	The Corporation serves as supervisor	FVTOCI - non-current	1	14	-	14	
	Preference shares							
	O-Bank	The Corporation serves as director	FVTOCI - current	2,182	22,688	-	22,688	
Ta-Ho Maritime Corporation	Ordinary shares							
	Prosperity Dielectrics Co., Ltd.	-	FVTPL - current	951	70,389	-	70,389	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	25,761	391,572	-	391,572	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	6,612	238,417	2.1	238,417	
Taiwan Cement Engineering Corporation	Beneficiary certificates							
	Capital Money Market Fund	-	FVTPL - current	2,930	47,266	-	47,266	
TCC Chemical Corporation	Ordinary shares							
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	2,626	203,487	-	203,487	
TCC Information Systems Corporation	Beneficiary certificates							
	Yuanta De-Bao Money Market Fund	-	FVTPL - current	1,326	15,934	-	15,934	
Taiwan Prosperity Chemical Corporation	Ordinary shares							
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	76,863	1,079,931	-	1,079,931	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2019				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Hoping Industrial Port Corporation	Ordinary shares							
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,444	$ 376,600	3.3	$ 376,600	
E.G.C. Cement Corporation	Beneficiary certificates							
	Nomura Global Short Duration Bond Fund	-	FVTPL - current	2,367	24,966	-	24,966	
	Nomura Taiwan Money Market Fund	-	FVTPL - current	2,467	40,253	-	40,253	
	UPAMC James Bond Money Market Fund	-	FVTPL - current	1,205	20,133	-	20,133	
	Taishin 1699 Money Market Fund	-	FVTPL - current	742	10,040	-	10,040	
	Ordinary shares							
	Der Pao Construction Co., Ltd.	-	FVTPL - current	30	-	0.1	-	
Union Cement Traders Inc.	Ordinary shares							
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	27,012	379,518	-	379,518	
	CTCI Corporation	-	FVTOCI - current	13,365	641,535	-	641,535	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	7,441	113,103	-	113,103	
	Videoland Inc.	-	FVTOCI - non-current	6,437	327,538	5.6	327,538	
TCCI (Group)	Beneficiary certificates							
	Mega Diamond Money Market Fund	-	FVTPL - current	3,130	38,516	-	38,516	
	Ordinary shares							
	Anhui Conch Cement Co., Ltd.	-	FVTOCI - non-current	116,568	21,944,124	-	21,944,124	
	Yargoon Co., Ltd.	-	FVTOCI - non-current	19	-	12.5	-	

Note 1: Marketable securities in the table refer to shares, bonds, beneficiary certificates and other related securities within the scope of IFRS 9 “Financial Instruments”.

Note 2: Refer to Tables 7 and 8 for the information on investments in subsidiaries, associates and joint ventures.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustment (Note 1)	Ending Balance	
					Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Carrying Amount	Gain on Disposal		Shares	Amount
Taiwan Cement Corporation	Shares E-ONE Moli Energy Corporation	Investments accounted for using the equity method	-	Associates	48,127	$ 523,197	50,313	$ 503,133	13,576 (Note 2)	$ -	$ -	$ -	$ 5,175	84,864	$ 1,031,505

Note 1: Including share of profit or loss of subsidiaries, equity adjustments, etc.

Note 2: The shares of capital reduction handled by E-ONE Moli Energy Corporation.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
Taiwan Cement Corporation	Feng Sheng Enterprise Company	Subsidiary	Sales	$ (112,033)	(3)	30 days	$ -	-	$ 82,883	21	Note 2
	TCCIH	Subsidiary	Service revenue	(115,054)	(3)	By contract	-	-	39,842	10	Note 2
	Taiwan Transport & Storage Corporation	Subsidiary	Purchases	125,478	3	30 days	-	-	(92,269)	(9)	Note 2
	China Hi-Ment Corporation	The Corporation serves as director	Purchases	133,015	3	60 days	-	-	(146,037)	(14)	
	Hoping Industrial Port Corporation	Subsidiary	Purchases	143,212	4	20 days	-	-	(35,591)	(3)	Note 2
	Ta-Ho Maritime Corporation	Subsidiary	Purchases	330,874	8	30 days	-	-	(435,412)	(42)	Note 2
	Ho Sheng Mining Co., Ltd.	Subsidiary	Purchases	145,930	4	30 days	-	-	(100,601)	(10)	Note 2
	Chia Hsin Cement Corporation	Director of the Corporation	Sales	(109,450)	(3)	65 days after the end of the day when delivery was made	-	-	114,923	29	
Ho-Ping Power Company	Hoping Industrial Port Corporation	The same parent company	Purchases	253,303	13	20 days	-	-	(80,000)	(33)	Note 2
	HPC Power Service Corporation	The same parent company	Purchases	112,731	6	By contract	-	-	(116,532)	(48)	Note 2
Hoping Industrial Port Corporation	Taiwan Cement Corporation	Parent company	Sales	(143,212)	(35)	20 days	-	-	35,591	30	Note 2
	Ho-Ping Power Company	The same parent company	Sales	(253,303)	(62)	20 days	-	-	80,000	68	Note 2
Feng Sheng Enterprise Company	Taiwan Cement Corporation	Parent company	Purchases	112,033	16	30 days	-	-	(82,883)	(100)	Note 2
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	Sales	(125,478)	(38)	30 days	-	-	92,269	61	Note 2
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	Sales	(330,874)	(46)	30 days	-	-	435,412	100	Note 2
TCCIH	Taiwan Cement Corporation	Parent company	Service expense	115,054	100	By contract	-	-	(39,842)	(100)	Note 2
Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	Parent company	Sales	(145,930)	(94)	30 days	-	-	100,601	97	Note 2
HPC Power Service Corporation	Ho-Ping Power Company	The same parent company	Sales	(112,731)	(100)	By contract	-	-	116,532	100	Note 2

Note 1: The percentage to total accounts receivable from (payable to) related parties.

Note 2: All intercompany transactions have been eliminated upon consolidation.

TABLE 6

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE SHARE CAPITAL
MARCH 31, 2019
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Ta-Ho Maritime Corporation	Taiwan Cement Corporation (Note)	Parent company	$ 435,412	3.3	$ -	-	$ 299,529	$ -
Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation (Note)	Parent company	100,601	8.8	-	-	44,149	-
HPC Power Service Corporation	Ho-Ping Power Company (Note)	The same parent company	116,532	3.9	-	-	79,841	-
Taiwan Cement Corporation	Chia Hsin Cement Corporation	Director	114,923	1.0	-	-	56,417	-

Note: All intercompany transactions have been eliminated upon consolidation.

TABLE 7

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2019	December 31, 2018	Shares/Units (In Thousands)	%	Carrying Amount			
Taiwan Cement Corporation	TCCI	British Virgin Islands	Investment holding	$ 33,774,761	$ 33,774,761	1,100,876	100.00	$ 94,557,581	$ 2,050,269	$ 2,050,269	Note
	Ho-Ping Power Company	Taiwan	Thermal power generation	6,037,720	6,037,720	805,940	59.50	17,520,707	774,352	460,740	Note
	Hoping Industrial Port Corporation	Taiwan	Hoping Industrial Port management	3,198,500	3,198,500	319,990	100.00	5,885,519	192,523	192,517	Note
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	528,506	528,506	118,649	64.79	2,434,279	124,208	80,471	Note
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	992,173	992,173	116,791	40.00	1,382,608	(153,616)	(61,447)	Note
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	90,862	90,862	32,668	83.85	1,893,569	52,919	44,370	Note
	TCC Investment Corporation	Taiwan	Investment	190,000	190,000	63,150	100.00	3,780,954	20,888	20,888	Note
	Ho Sheng Mining Co., Ltd.	Taiwan	Mining excavation	1,414,358	1,414,358	30,100	100.00	1,110,007	40,590	40,590	Note
	CCC USA Corporation	U.S.A.	Rubber raw materials	1,284,421	1,284,421	79	33.33	1,650,168	57,519	19,173	
	Taiwan Cement Engineering Corporation	Taiwan	Engineering services	319,439	319,439	59,593	99.05	716,284	1,712	2,040	Note
	ONYX Ta-Ho Environmental Services Co., Ltd.	Taiwan	Waste collection and treatment	72,000	72,000	30,176	50.00	868,348	163,672	81,836	
	Kuan-Ho Refractories Industry Corporation	Taiwan	Production and sale of refractory materials	181,050	181,050	18,105	95.29	484,843	32,467	30,937	Note
	Feng Sheng Enterprise Company	Taiwan	Sale of ready-mixed concrete	250,000	250,000	27,261	45.43	353,607	11,306	5,137	Note
	TCC Chemical Corporation	Taiwan	Leasing property and energy technology services	1,510,842	1,510,842	240,000	100.00	973,543	11,590	20,161	Note
	Ta-Ho Taitung Environment Co., Ltd.	Taiwan	Waste collection and treatment	313,187	313,187	37,100	100.00	340,876	43,688	43,688	Note
	TCC Information Systems Corporation	Taiwan	Information software design	71,000	71,000	14,904	99.36	261,649	7,147	7,101	Note
	Ta-Ho RSEA Environment Co., Ltd.	Taiwan	Waste collection and treatment	666,000	666,000	66,600	66.60	198,627	(2,710)	(1,805)	Note
	HKCMCL	Hong Kong	Investment holding	72,005	72,005	38	84.65	338,848	18,223	15,427	Note
	TCC Green Energy Corporation	Taiwan	Renewable energy generation	1,446,046	1,446,046	150,899	100.00	1,485,551	(43,782)	(43,782)	Note
	Jin Chang Minerals Corporation	Taiwan	Afforestation and sale of limestone	18,042	18,042	1,800	100.00	230,579	10,567	10,567	Note
	HPC Power Service Corporation	Taiwan	Business consulting	1,861	1,861	6	60.00	142,699	47,071	28,243	Note
	E.G.C. Cement Corporation	Taiwan	Sale of cement	184,359	184,359	8,063	50.64	106,938	6,633	3,359	Note
	Synpac Ltd.	British Virgin Islands	Investment	70,367	70,367	2,700	25.00	7,018	12	3	
	Tung Chen Mineral Corporation	Taiwan	Afforestation and sale of limestone	1,989	1,989	20	99.45	1,341	(11)	(11)	Note
	TMC	Philippines	Mining excavation	11,880	11,880	120	72.70	-	-	-	Note
	TPMC	Philippines	Mining excavation	2,105	2,105	20	40.00	-	-	-	Note
	TCCIH	Cayman Islands	Investment holding	40,701,671	40,701,671	2,581,832	38.28	46,661,539	3,079,453	1,178,814	Note
	E-ONE Moli Energy Corporation	Taiwan	Manufacturing and sale of lithium battery	849,025	481,811	84,864	14.99	1,031,505	32,521	5,065	
	International CSRC Investment Holdings Co,. Ltd.	Taiwan	Investment	3,563,397	3,563,397	135,820	15.59	5,277,129	754,616	117,612	
	Taiwan Cement Dutch	Netherlands	Investment holding	29,470,972	29,470,972	831	100.00	28,574,687	(153,607)	(153,607)	Note
Taiwan Transport & Storage Corporation	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	300,507	300,507	53,438	29.18	1,096,360	124,208	36,244	Note
	E.G.C. Cement Corporation	Taiwan	Sale of cement	136,476	136,476	7,857	49.36	133,598	6,633	3,274	Note
	Chia Huan Tung Cement Corporation	Taiwan	Manufacturing and sale of cement-related products	87,463	87,463	8,746	12.74	16,375	(3,761)	(480)	
TCC Investment Corporation	Union Cement Traders Inc.	Taiwan	Import and export trading	219,450	219,450	21,945	100.00	1,001,461	6,937	6,937	Note
	Ho-Ping Power Company	Taiwan	Thermal power generation	68,911	68,911	6,773	0.50	143,766	774,352	3,872	Note
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	10,528	10,528	658	0.23	7,790	(153,616)	(346)	Note
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	343	343	34	0.02	704	124,208	23	Note
	E-ONE Moli Energy Corporation	Taiwan	Manufacturing and sale of lithium battery	312,833	172,648	31,860	5.63	239,011	32,521	1,901	
	International CSRC Investment Holdings Co,. Ltd.	Taiwan	Investment	387,920	387,920	19,461	2.23	750,195	754,616	16,852	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2019	December 31, 2018	Shares/Units (In Thousands)	%	Carrying Amount			
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Samoa	Investment	$ 325,995	$ 325,995	10,300	100.00	$ 4,287,857	$ 62,256	$ 62,256	Note
	Shih Hsin Storage & Transportation Co., Ltd.	Taiwan	Warehousing, transportation and sale of cement	30,952	30,952	3,114	3.34	7,993	(6,060)	(203)	
	Chia Huan Tung Cement Corporation	Taiwan	Manufacturing and sale of cement-related products	7,943	7,943	794	1.16	1,491	(3,761)	(43)	
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Samoa	Investment	3,042	3,042	2,128	100.00	50,283	190	190	Note
	International CSRC Investment Holdings Co,. Ltd.	Taiwan	Investment	49,882	49,882	1,819	0.21	70,121	754,616	1,575	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	104,929	104,929	6,675	2.29	79,021	(153,616)	(3,511)	Note
	E-ONE Moli Energy Corporation	Taiwan	Manufacturing and sale of lithium battery	112,898	60,673	11,696	2.07	87,741	32,521	699	
E.G.C. Cement Corporation	Shih Hsin Storage & Transportation Co., Ltd.	Taiwan	Warehousing, transportation and sale of cement	110,128	110,128	11,082	11.87	28,406	(6,060)	(720)	
Union Cement Traders Inc.	Shih Hsin Storage & Transportation Co., Ltd.	Taiwan	Warehousing, transportation and sale of cement	34,203	34,203	3,442	3.69	8,824	(6,060)	(223)	
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	2,612	2,612	261	0.67	15,144	52,919	355	Note
	Chia Huan Tung Cement Corporation	Taiwan	Manufacturing and sale of cement-related products	2,552	2,552	255	0.37	478	(3,761)	(14)	
	E-ONE Moli Energy Corporation	Taiwan	Manufacturing and sale of lithium battery	298,046	161,605	30,703	5.42	230,333	32,521	1,833	
	International CSRC Investment Holdings Co,. Ltd.	Taiwan	Investment	281,806	281,806	10,145	1.16	391,071	754,616	8,784	
Ho-Ping Power Company	Ho-Ping Renewable Energy Company	Taiwan	Renewable energy generation	1,000	1,000	100	100.00	1,000	-	-	Note
TCC Green Energy Corporation	TCC Chia-Chien Green Energy Corporation	Taiwan	Renewable energy generation	202,000	202,000	20,200	100.00	172,049	(1,768)	(1,768)	Note
	TCC Yun-Kai Green Energy Corporation	Taiwan	Renewable energy generation	25,000	25,000	2,500	100.00	22,802	(80)	(80)	Note
	TCC Lien-Shen Green Energy Corporation	Taiwan	Renewable energy generation	12,000	12,000	1,200	100.00	9,207	(160)	(160)	Note
	TCC Chang-Ho Green Energy Corporation	Taiwan	Renewable energy generation	5,000	5,000	500	100.00	2,481	(8)	(8)	Note
	TCC Kao-Cheng Green Energy Corporation	Taiwan	Renewable energy generation	12,000	12,000	1,200	100.00	9,921	(25)	(25)	Note
	TCC Nan-Chung Green Energy Corporation	Taiwan	Renewable energy generation	20,000	20,000	2,000	100.00	17,945	(8)	(8)	Note
	Chang-Wang Wind Power Co, Ltd.	Taiwan	Renewable energy generation	120,000	120,000	12,000	100.00	85,657	(34,013)	(34,013)	Note
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Panama	Marine transportation	61,948	61,737	2	100.00	2,691,295	43,623	43,623	Note
	Sheng Ho Maritime S.A.	Panama	Marine transportation	61,948	61,737	2	100.00	464,057	(2,651)	(2,651)	Note
	Ta-Ho Maritime (Hong Kong) Limited	Hong Kong	Marine transportation	157,182	156,647	5,100	100.00	684,019	16,154	16,154	Note
	Chi Ho Maritime S.A.	Panama	Marine transportation	200,638	199,955	7	100.00	362,597	4,933	4,933	Note
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Singapore	Marine transportation	3,082	3,072	100	100.00	74,615	185	185	Note
TCC International Ltd. (Group)	Quon Hing Concrete Co., Ltd.	Hong Kong	Investment holding	174,672	174,449	100	50.00	218,385	9,579	4,790	
	Chia Huan Tung Cement Corporation	Taiwan	Manufacturing and sale of cement-related products	148,554	148,554	14,855	19.48	25,032	(3,761)	(733)	
	Hong Kong Concrete Co., Ltd.	Hong Kong	Cement processing services	26,783	26,749	129	31.50	204,647	(40,458)	(12,744)	
Taiwan Cement Dutch	Dutch Oyak TCC Holding B.V.	Netherlands	Holding company	29,152,614	29,152,614	100	40.00	28,182,464	(377,109)	(148,525)	

Note: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(In Thousands of New Taiwan Dollars)

A.

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2019 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of March 31, 2019 (Note 3)	Accumulated Repatriation of Investment Income as of March 31, 2019	Note
					Outflow	Inflow							
Anhui King Bridge Cement Co., Ltd. (Note 9)	Manufacturing and sale of cement	$ 462,300	(a)	$ 157,182	$ -	$ -	$ 157,182	$ -	60.00	$ -	$ -	$ -	Note 7
TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	500,825	(a)	282,966	-	-	282,966	(19,803)	100.00	(19,803)	918,069	-	Note 7
TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facilities	154,100	(a)	87,067	-	-	87,067	(2,586)	100.00	(2,586)	291,490	-	Note 7
TCC Liuzhou Construction Materials Company Limited.	Manufacturing and sale of slag powder	416,070	(a)	99,857	-	-	99,857	19,380	42.00	8,139	461,783	-	Note 7
TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	7,840,608	(a)	4,899,178	-	-	4,899,178	775,330	100.00	775,330	22,628,408	-	Note 7
Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	7,181,060	(a)	4,191,366	-	-	4,191,366	328,086	100.00	328,086	13,229,677	-	Note 7
TCC (Guangan) Cement Ltd.	Manufacturing and sale of cement	10,259,235	(a)	7,338,238	-	-	7,338,238	705,958	100.00	705,958	23,621,311	-	Note 7
Jiangsu TCC Investment Co., Ltd.	Investment	1,541,000	(a)	870,665	-	-	870,665	73,562	100.00	73,562	2,966,677	-	Note 7
Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	1,960,744	(a)	3,348,073	-	-	3,348,073	433,531	100.00	433,531	14,017,251	-	Note 7
TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	1,699,180	(a)	1,374,002	-	-	1,374,002	(118,197)	100.00	(118,197)	1,606,806	-	Note 7
TCC Anshun Cement Company Limited	Manufacturing and sale of cement	4,730,562	(a)	3,446,477	-	-	3,446,477	61,747	100.00	61,747	7,798,890	-	Note 7
TCC Chongqing Cement Co., Ltd.	Manufacturing and sale of cement	3,636,760	(a)	2,629,604	-	-	2,629,604	389,066	100.00	389,066	7,435,786	-	Note 7
TCC Guangan Cement Company Ltd.	Manufacturing and sale of cement	2,372,832	(a)	1,722,695	-	-	1,722,695	223,857	100.00	223,857	4,280,045	-	Note 7
TCC (Dong Guan) Cement Company Limited	Manufacturing and sale of cement	616,400	(a)	348,266	-	-	348,266	(2,290)	100.00	(2,290)	330,117	-	Note 7
Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	625,646	(a)	282,008	-	-	282,008	132	65.00	85	551,736	-	Note 7
TCC New (Hangzhou) Management Company Limited	Operation management	246,560	(a)	139,306	-	-	139,306	(12,572)	100.00	(12,572)	193,915	-	Note 7
Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	1,784,645	(a)	1,102,567	-	-	1,102,567	(15,219)	100.00	(15,219)	3,835,656	-	Note 7
TCC Shaoguan Cement Co., Limited	Manufacturing and sale of cement	1,232,800	(a)	1,098,733	-	-	1,098,733	(2,562)	100.00	(2,562)	1,188,837	-	Note 7
TCC Huaying Cement Company Limited	Manufacturing and sale of cement	4,350,450	(a)	3,143,328	-	-	3,143,328	166,623	100.00	166,623	3,335,494	-	Note 7
TCC Huaihua Cement Company Limited (Note 4)	Manufacturing and sale of cement	425,940	(a)	5,754,151	-	-	5,754,151	(30,064)	100.00	(30,064)	2,738,669	-	Note 7
TCC Jingzhou Cement Company Limited (Note 4)	Manufacturing and sale of cement	45,800	(a)	-	-	-	-	(5,581)	100.00	(5,581)	1,365,575	-	Note 7
TCC Huaihua Concrete Company Limited (Note 4)	Sale of ready-mixed concrete	45,800	(a)	-	-	-	-	825	100.00	825	54,070	-	Note 7
TCC Jiangsu Mining Industrial Company Limited	Mining excavation	123,280	(a)	385,463	-	-	385,463	(7,368)	100.00	(7,368)	273,398	-	Note 7
TCC Yingde Mining Industrial Company Limited	Mining excavation	354,430	(a)	278,849	-	-	278,849	(6,047)	100.00	(6,047)	461,428	-	Note 7
TCC Guigang Mining Industrial Company Limited	Mining excavation	154,100	(a)	133,100	-	-	133,100	(13,096)	100.00	(13,096)	377,709	-	Note 7
Scitus Naxi Cement Co., Ltd. (Note 5)	Manufacturing and sale of cement	671,016	(a)	-	-	-	-	51,021	100.00	51,021	384,955	-	Note 7
Scitus Luzhou Cement Co., Ltd. (Note 5)	Manufacturing and sale of cement	1,809,100	(a)	-	-	-	-	65,135	100.00	65,135	2,642,855	-	Note 7
Scitus Hejiang Cement Co., Ltd. (Note 5)	Manufacturing and sale of cement	106,485	(a)	-	-	-	-	(394)	100.00	(394)	(103,017)	-	Note 7
Scitus Luzhou Concrete Co., Ltd. (Note 5)	Sale of ready-mixed concrete	114,500	(a)	-	-	-	-	(3,846)	100.00	(3,846)	146,340	-	Note 7
TCEC (Yingde) Machine Co., Ltd. (Note 6)	Production and sale of cement machinery and assembly work	16,295	(b)	16,295	-	-	16,295	1,320	100.00	1,320	177,311	-	Note 7
Anshun Xin Tai Construction Materials Company Limited	Sand and gravel filtering and sale of ready-mixed concrete	68,700	(a)	93,557	-	-	93,557	(583)	100.00	(583)	67,929	-	Note 7
Fuzhou TCC Information Technology Co., Ltd. (Note 6)	Software product and equipment maintenance	3,083	(a)	3,083	-	-	3,083	167	100.00	167	43,513	-	Note 7
Da Tong (Guigang) International Logistics Co., Ltd. (Note 6)	Logistics and transportation	154,100	(a)	-	-	-	-	16,093	100.00	16,093	667,222	-	Note 7
Da Tong (Ying De) Logistics Co., Ltd. (Note 6)	Logistics and transportation	22,900	(a)	-	-	-	-	1,370	100.00	1,370	101,378	-	Note 7
Guigang Da-Ho Shipping Co., Ltd. (Note 6)	Marine transportation	18,320	(a)	-	-	-	-	12,394	100.00	12,394	355,042	-	Note 7
Prosperity Conch Cement Co., Ltd.	Manufacturing and sale of cement	2,656,400	(a)	2,241,301	-	-	2,241,301	1,019,350	25.00	254,837	5,121,678	-	
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	3,778,500	(a)	1,461,231	-	-	1,461,231	133,646	30.00	40,094	1,750,617	-	
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	1,889,616	(a)	707,594	-	-	707,594	156,078	30.00	46,824	947,650	-	
Sichuan Taichang Building Material Group Company Limited	Manufacturing and sale of cement	916,000	(a)	353,720	-	-	353,720	33,188	30.00	9,956	59,086	-	
Guangan Xin Tai Construction Materials Company Limited	Manufacturing and sale of concrete aggregate	70,990	(a)	48,290	-	-	48,290	-	50.00	-	-	-	
Guigang TCC DongYuan Environmental Technology Company Limited	Dangerous waste treatment	535,860	(a)	535,860	-	-	535,860	(2,377)	95.20	(2,263)	547,488	-	Note 7

(Continued)

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2019 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of March 31, 2019 (Note 3)	Accumulated Repatriation of Investment Income as of March 31, 2019	Note
					Outflow	Inflow							
Beijing TCC Environmental Technology Co., Ltd.	Technology development, business management and sales	$ 27,480	(a)	$ -	$ 27,480	$ -	$ 27,480	$ -	100.00	$ -	$ 27,561	$ -	Note 7
TCC (Hangzhou) Environmental Protection Technology Co,. Ltd.	Environment, cement, business management consulting	3,206,000	(a)	-	3,206,000	-	3,206,000	-	100.00	-	3,215,394	-	Note 7
Kaili TCC Environmental Technology Co., Ltd.	Waste collection and treatment	13,740	(a)	-	13,740	-	13,740	-	100.00	-	13,780	-	Note 7

Accumulated Investment in Mainland China as of March 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$72,391,278	$73,684,165	(Note 8)

Note 1: The method of investments were as follows:

a. Investments in mainland China companies were through a company invested and established in a third region.
b. Direct investment in mainland companies.

Note 2: Including outward remittance from offshore subsidiaries.

Note 3: For TCC Yingde Cement Co., Ltd., TCC (Gui Gang) Cement Ltd., TCC Anshun Cement Company Limited, TCC Chongqing Cement Company Limited, Jurong TCC Cement Co., Ltd. and Yingde Dragon Mountain Cement Co., Ltd. and TCC Huaihua Cement Co., Ltd. the carrying amounts and investment gains or losses are based on the reviewed financial statements, while all other entities are not.

Note 4: As of March 31, 2019, the accumulated outward remittance for investments was a total of those from TCC Huaihua Cement Company Limited, TCC Jingzhou Cement Company Limited and TCC Huaihua Concrete Company Limited.

Note 5: As of March 31, 2019, accumulated outward remittance for investments was a total of $2,950,506 thousand from 10 companies, including Zunyi Scitus Cement Co., Ltd., Scitus Bijie Cement Co., Ltd., Scitus Naxi Cement Co., Ltd., Scitus Luzhou Cement Co., Ltd., Scitus Xishui Cement Co., Ltd., Scitus Hejiang Cement Co., Ltd., Guizhou Zunyi Ken On Concrete Co., Ltd., Scitus Bijie Concrete Co., Ltd., Scitus Luzhou Concrete Co., Ltd. and Scitus Cement (Guizhou) Operating Company Limited. Except Scitus Naxi Cement Co., Ltd., Scitus Luzhou Cement Co., Ltd., Scitus Hejiang Cement Co., Ltd. and Scitus Luzhou Concrete Co., Ltd., while the other companies were disposed of in March 2013. The investment amounts authorized to be withdrawn are still under the process by the Investment Commission, MOEA.

Note 6: Including the amounts attributable to non-controlling interests.

Note 7: All intercompany transactions have been eliminated upon consolidation.

Note 8: The Corporation received a confirmation letter of Operation Headquarter from the Industrial Development Bureau of the MOEA in October 2016 stating that the Corporation is not limited by the restriction on the accumulated percentage or amount of investment in mainland China.

Note 9: Anhui King Bridge Cement Co., Ltd. had winded up its business and the relevant procedures were still under the process as of March 31, 2019.

B. Refer to Tables 1, 2, 5 and 9 for the information about significant transactions with investees in the mainland China either directly or indirectly through a third region.

(Concluded)

TABLE 9

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	Taiwan Cement Corporation	Feng Sheng Enterprise Company	1	Operating revenue	$ 112,033	30 days	0.4
		Taiwan Transport & Storage Corporation	1	Operating costs and expenses	125,478	30 days	0.5
		Hoping Industrial Port Corporation	1	Operating costs and expenses	143,212	20 days	0.6
		Ho Sheng Mining Co., Ltd.	1	Operating costs and expenses	145,930	30 days	0.6
				Payables to related parties	100,601	30 days	-
		TCCIH	1	Operating revenue	115,054	By contract	0.5
		Ta-Ho Maritime Corporation	1	Operating costs and expenses	330,874	30 days	1.3
				Payables to related parties	435,412	30 days	0.1
		E.G.C. Cement Corporation	1	Lease liability - non-current	281,075	By contract	0.1
1	Ho-Ping Power Company	Hoping Industrial Port Corporation	3	Operating costs and expenses	253,303	20 days	1.0
		HPC Power Service Corporation	3	Operating costs and expenses	112,731	By contract	0.4
				Payables to related parties	116,532	By contract	-
2	TCC Chemical Corporation	Taiwan Prosperity Chemical Corporation	3	Finance lease receivables	1,207,714	By contract	0.3

Note 1: All intercompany transactions have been eliminated upon consolidation. The directional flow of the investment relationship is represented by the following numerals:

a. From parent to subsidiary: 1
b. From subsidiary to parent: 2
c. Between subsidiaries: 3

Note 2: This table includes transactions for amounts exceeding $100 million.