Attachment 6

Taiwan Cement Corporation

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

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taiwan Cement Corporation

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

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

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

Deloitte & Touche

March 30, 2016

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

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

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

TAIWAN CEMENT CORPORATION

BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015		2014	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,234,072	1	$ 745,405	1
Available-for-sale financial assets (Notes 4 and 7)	1,182,447	1	1,527,521	1
Notes receivable (Notes 4 and 8)	1,170,834	1	1,478,231	1
Notes receivable from related parties (Notes 4 and 22)	106,973	-	103,549	-
Accounts receivable (Notes 4 and 8)	2,553,919	2	2,650,713	2
Accounts receivable from related parties (Notes 4 and 22)	365,540	-	371,373	-
Other receivables from related parties (Notes 4 and 22)	328,792	-	265,193	-
Inventories (Notes 4, 9 and 24)	1,617,092	1	1,495,352	1
Other current assets	137,992	-	278,759	-
Total current assets	8,697,661	6	8,916,096	6
NON-CURRENT ASSETS				
Available-for-sale financial assets (Notes 4 and 7)	3,371,466	3	4,064,813	3
Financial assets carried at cost (Note 4)	108,299	-	110,365	-
Investments accounted for using equity method (Notes 4 and 10)	90,740,015	67	95,748,210	67
Property, plant and equipment (Notes 4, 11 and 23)	28,635,070	21	29,491,105	21
Investment properties (Notes 4 and 12)	3,353,412	3	3,354,039	2
Intangible assets (Note 4)	105,600	-	142,153	-
Net defined benefit asset (Notes 4 and 15)	442,783	-	1,066,107	1
Other non-current assets (Notes 4, 18 and 23)	230,244	-	227,734	-
Total non-current assets	126,986,889	94	134,204,526	94
TOTAL	$ 135,684,550	100	$ 143,120,622	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Note 13)	$ 4,432,649	3	$ 2,197,905	2
Short-term bills payable (Note 13)	599,426	-	-	-
Accounts payable	995,809	1	1,156,794	1
Accounts payable to related parties (Note 22)	500,791	-	512,440	-
Other payables (Note 14)	1,398,695	1	1,486,298	1
Other payables to related parties (Note 22)	68,629	-	50,501	-
Current income tax liabilities (Notes 4 and 18)	266,646	-	73,551	-
Long-term loans - current portion (Note 13)	3,360,000	3	-	-
Other current liabilities	96,411	-	139,287	-
Total current liabilities	11,719,056	8	5,616,776	4
NON-CURRENT LIABILITIES				
Long-term loans (Note 13)	10,621,053	8	13,973,213	10
Deferred income tax liabilities (Notes 4 and 18)	5,069,432	4	5,337,690	4
Other non-current liabilities (Note 10)	232,024	-	234,073	-
Total non-current liabilities	15,922,509	12	19,544,976	14
Total liabilities	27,641,565	20	25,161,752	18
EQUITY (Notes 4 and 16)				
Share capital	36,921,759	27	36,921,759	26
Capital surplus	12,309,615	9	12,225,528	8
Retained earnings	45,573,057	34	49,530,227	35
Others	13,238,554	10	19,281,356	13
Total equity	108,042,985	80	117,958,870	82
TOTAL	$ 135,684,550	100	$ 143,120,622	100

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

TAIWAN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015 Amount	2015 %	2014 Amount	2014 %
OPERATING REVENUE (Notes 4 and 22)	$ 20,667,929	100	$ 21,604,741	100
LESS: SALES RETURNS AND ALLOWANCES	100,369	-	100,591	-
OPERATING REVENUE, NET	20,567,560	100	21,504,150	100
OPERATING COST (Notes 4, 9, 17 and 22)	18,345,276	89	19,849,159	92
GROSS PROFIT	2,222,284	11	1,654,991	8
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	1,228	-	1,228	-
REALIZED GROSS PROFIT	2,223,512	11	1,656,219	8
OPERATING EXPENSES (Notes 17 and 22)				
Marketing	205,210	1	211,444	1
General and administrative	545,047	3	766,503	4
Total operating expenses	750,257	4	977,947	5
INCOME FROM OPERATIONS	1,473,255	7	678,272	3
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates	4,341,468	21	10,127,947	47
Dividend income	388,058	2	386,080	2
Other income (Note 17)	153,140	1	177,950	1
Finance costs	(247,371)	(1)	(230,210)	(1)
Other expenses (Note 17)	(173,961)	(1)	(107,791)	(1)
Total non-operating income and expenses	4,461,334	22	10,353,976	48
INCOME BEFORE INCOME TAX	5,934,589	29	11,032,248	51
INCOME TAX EXPENSE (Notes 4 and 18)	158,600	1	203,380	1
NET INCOME	5,775,989	28	10,828,868	50

(Continued)

TAIWAN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 15)	$ (631,163)	(3)	$ (62,533)	-
Share of other comprehensive loss of subsidiaries and associates	(15,776)	-	(20,246)	-
Income tax benefit related to items that will not be reclassified subsequently to profit or loss (Note 18)	107,298	-	10,631	-
	(539,641)	(3)	(72,148)	-
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on available-for-sale financial assets	(1,027,693)	(5)	442,748	2
Share of other comprehensive income (loss) of subsidiaries and associates	(5,015,109)	(24)	2,141,231	10
	(6,042,802)	(29)	2,583,979	12
Other comprehensive income (loss) for the year, net of income tax	(6,582,443)	(32)	2,511,831	12
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ (806,454)	(4)	$ 13,340,699	62
EARNINGS PER SHARE (NT$, Note 19)				
Basic earnings per share	$1.56		$2.93	
Diluted earnings per share	$1.56		$2.93	

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

TAIWAN CEMENT CORPORATION

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

	Share Capital			Retained Earnings				Others			
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain/Loss on Available-for-sale Financial Assets	Cash Flow Hedges	Total Equity
BALANCE, JANUARY 1, 2014	3,692,176	$ 36,921,759	$ 12,193,297	$ 10,726,105	$ 13,051,193	$ 23,488,214	$ 47,265,512	$ 1,496,348	$ 15,202,029	$ (1,000)	$ 113,077,945
Appropriation of prior year's earnings											
Legal reserve	-	-	-	1,002,673	-	(1,002,673)	-	-	-	-	-
Cash dividends - NT$2.3 per share	-	-	-	-	-	(8,492,005)	(8,492,005)	-	-	-	(8,492,005)
Net income in 2014	-	-	-	-	-	10,828,868	10,828,868	-	-	-	10,828,868
Other comprehensive income (loss) in 2014, net of income tax	-	-	-	-	-	(72,148)	(72,148)	1,730,161	840,688	13,130	2,511,831
Total comprehensive income in 2014	-	-	-	-	-	10,756,720	10,756,720	1,730,161	840,688	13,130	13,340,699
Changes in ownership interests of subsidiaries	-	-	32,231	-	-	-	-	-	-	-	32,231
Reversal of special reserve recognized from asset disposals	-	-	-	-	(539)	539	-	-	-	-	-
BALANCE, DECEMBER 31, 2014	3,692,176	36,921,759	12,225,528	11,728,778	13,050,654	24,750,795	49,530,227	3,226,509	16,042,717	12,130	117,958,870
Appropriation of prior year's earnings											
Legal reserve	-	-	-	1,082,887	-	(1,082,887)	-	-	-	-	-
Cash dividends - NT$2.49 per share	-	-	-	-	-	(9,193,518)	(9,193,518)	-	-	-	(9,193,518)
Net income in 2015	-	-	-	-	-	5,775,989	5,775,989	-	-	-	5,775,989
Other comprehensive loss in 2015, net of income tax	-	-	-	-	-	(539,641)	(539,641)	(987,416)	(5,048,743)	(6,643)	(6,582,443)
Total comprehensive income (loss) in 2015	-	-	-	-	-	5,236,348	5,236,348	(987,416)	(5,048,743)	(6,643)	(806,454)
Adjustments to share of changes in equity of associates	-	-	80	-	-	-	-	-	-	-	80
Changes in ownership interests of subsidiaries	-	-	84,007	-	-	-	-	-	-	-	84,007
Reversal of special reserve recognized from asset disposals	-	-	-	-	(159)	159	-	-	-	-	-
BALANCE, DECEMBER 31, 2015	3,692,176	$ 36,921,759	$ 12,309,615	$ 12,811,665	$ 13,050,495	$ 19,710,897	$ 45,573,057	$ 2,239,093	$ 10,993,974	$ 5,487	$ 108,042,985

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

TAIWAN CEMENT CORPORATION

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

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 5,934,589	$ 11,032,248
Adjustments for:		
Depreciation expense	890,867	911,701
Amortization expense	36,553	36,557
Finance costs	247,371	230,210
Interest income	(10,508)	(15,693)
Dividend income	(388,058)	(386,080)
Share of profit of subsidiaries and associates	(4,341,468)	(10,127,947)
Gain on disposal of property, plant and equipment, net	(1,681)	(6,680)
Impairment loss on financial assets	3,334	-
Inventory write-down (reversal)	-	(37,360)
Unrealized loss (gain) on foreign exchange, net	(4,726)	3,228
Changes in operating assets and liabilities:		
Notes receivable	307,397	(120,708)
Notes receivable from related parties	(3,424)	27,746
Accounts receivable	95,814	64,866
Accounts receivable from related parties	4,281	(7,831)
Other receivables from related parties	(13,599)	78,832
Inventories	(121,740)	(254,239)
Other current assets	142,008	(135,260)
Net defined benefit asset	(7,839)	(96,011)
Accounts payable	(160,489)	250,665
Accounts payable to related parties	(11,654)	(45,708)
Other payables	(88,188)	(2,992)
Other payables to related parties	18,128	21,543
Other current liabilities	(42,876)	17,212
Cash generated from operations	2,484,092	1,438,299
Income tax paid	(124,263)	(225,526)
Net cash generated from operating activities	2,359,829	1,212,773
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets carried at cost	(1)	(1)
Proceeds from the return of capital upon investees' capital reduction on financial assets carried at cost	9,461	33,696
Acquisition of investments accounted for using equity method	-	(15,000)
Payments for property, plant and equipment	(21,930)	(79,510)
Proceeds from disposal of property, plant and equipment	1,827	7,023
Decrease (increase) in other receivables from related parties	(50,000)	165,000
Decrease (increase) in other non-current assets	(17,133)	1,689
Interest received	10,499	15,752
Dividends received	4,790,607	4,801,488
Net cash generated from investing activities	4,723,330	4,930,137

(Continued)

TAIWAN CEMENT CORPORATION

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

	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	$ 2,240,277	$ 2,071,578
Increase in short-term bills payable	599,426	-
Increase (decrease) in other non-current liabilities	(1,733)	12,453
Dividends paid	(9,193,518)	(8,492,005)
Interest paid	(238,944)	(223,373)
Net cash used in financing activities	(6,594,492)	(6,631,347)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	488,667	(488,437)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	745,405	1,233,842
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,234,072	$ 745,405

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

TAIWAN CEMENT CORPORATION

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

1. 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 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 financial statements are presented in New Taiwan dollars, the functional currency of the Corporation.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation's board of directors on March 30, 2016.

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

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

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

   Except for amendments to IAS 1 "Presentation of Items of Other Comprehensive Income", whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the IFRSs would not have any material impact on the Corporation's accounting policies.

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

   The Corporation retrospectively applied the aforementioned amendments starting from January 1, 2015. The items that are not expected to be reclassified to profit or loss is the remeasurement of the defined benefit plan and the share of the remeasurement of the defined benefit plans of subsidiaries and associates. Items that are expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, the unrealized gain (loss) on available-for-sale financial assets, cash flow hedges, and the share of the other comprehensive income (except for the share of the remeasurement of the defined benefit plan) of subsidiaries and associates accounted for by using the equity method. However, the application of the aforesaid amendments did not result in any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

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

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

On March 10, 2016, the FSC announced the scope of the IFRSs to be endorsed and will take effect from January 1, 2017. Within this scope are all of the IFRSs that had been issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, and outside of this scope are those IFRSs that are not yet effective as of January 1, 2017, such as IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers," and those with undetermined effective dates. In addition, the FSC announced that application of IFRS 15 should start from January 1, 2018. As of the date the financial statements were authorized for issue, the FSC had not yet announced the effective dates of other new, amended and revised standards and interpretations.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
IFRS 16 "Leases"	January 1, 2019
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

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

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

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

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

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

1) For debt instruments, if they are held within a business model whose objective is to collect contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

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

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

Impairment of financial assets

IFRS 9 requires that impairment loss on financial assets be recognized by using the expected credit loss model. A credit loss allowance is required for financial assets measured at amortized cost, compulsory financial assets, lease receivables, as well as the contractual assets or loan commitments and financial guarantee contracts arising from IFRS 15 "Revenue from Contracts with Customers". A loss allowance for 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since its initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since its initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

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

2) IFRS 16 "Leases"

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

Under IFRS 16, if the Corporation is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the balance sheets except for low-value and short-term leases. The Corporation may elect to apply the accounting method similar to the accounting for operating leases under IAS 17 to the low-value and short-term leases. On the statements of comprehensive income, the Corporation should present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed by using the effective interest method. On the statements of cash flows, cash payments for the principal portion of lease liabilities and cash payments for the relevant interest are classified within financing activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Corporation as lessor.

When IFRS 16 becomes effective, the Corporation may elect to apply this standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this standard recognized at the date of initial application.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

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.

When preparing its financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in its financial statements to be the same as the amounts attributable to the owners of the Corporation in its financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for by using the equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive loss of subsidiaries and associates and related equity items, as appropriate, in these financial statements.

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 Corporation 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.

d. Foreign currencies

In preparing the Corporation's financial statements, transactions in currencies other than the Corporation's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

For the purpose of presenting financial statements, the functional currencies of the Corporation and entities under its control (including subsidiaries and associates 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; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Corporation's entire interest in a foreign operation or a disposal involving the loss of control over a subsidiary that includes a foreign operation), 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 Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculations involved in the equity-method transaction but 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.

e. Inventories

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

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity (including a structured entity) that is controlled by the Corporation.

Under the equity method, investments in a subsidiary are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of the equity of its subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of such investments and the fair value of the consideration paid or received.

When the Corporation's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further losses.

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

The Corporation assesses its investments for any impairment by comparing the respective carrying amounts with the estimated recoverable amounts as assessed based on the entire financial statements of its investee companies. Impairment loss is recognized when the carrying amount of any such investment exceeds the recoverable amount. If the recoverable amount of an investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full in the Corporation's parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the Corporation's financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of the equity of associates.

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

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

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate, the Corporation discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized 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 Corporation discontinues the use of the equity method from the date on which its investment ceases to be an associate. 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 attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, the Corporation continues to apply the equity method and does not remeasure the retained interest.

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Corporation' financial statements only to the extent that interests in the associate are related to the Corporation.

h. Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Property, plant and equipment in the course of construction are carried 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.

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in 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.

i. 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 measured initially 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.

j. 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.

2) 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.

k. Impairment of tangible and intangible assets

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

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

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of 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 (net of amortization or depreciation) 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.

l. Financial instruments

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

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

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

i. Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when a financial asset is held for trading. Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on their remeasurement recognized in profit or loss.

ii. Available-for-sale financial assets

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

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

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

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

iii. Loans and receivables

Loans and receivables (including cash equivalents) are measured at amortized cost using the effective interest method less any impairment, except for short-term receivables when the effect of discounting is immaterial.

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

b) Impairment of financial assets

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

Financial assets carried at amortized cost are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Corporation's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with defaults on receivables.

For a financial asset carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

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

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or financial re-organization, or the disappearance of an active market for that financial asset because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by an 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 the Corporation 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 fair value through profit or loss, all financial liabilities are carried at amortized cost using the effective interest method.

Financial liabilities are classified as at fair value through profit or loss when any such financial liability is held for trading. Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Corporation enters into derivative financial instruments to manage its exposure to foreign exchange rate risk from foreign-currency denominated assets and liabilities and commodity price risk from coal, including foreign exchange forward contracts and commodity price 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, and in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of 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.

m. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Allowances for sales returns and liabilities for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

1) Sale of goods

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

a) The Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the Corporation; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2) Dividend and interest income

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

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

n. Leasing

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.

Rental receipts and payments of operating leases are recognized as income and expenses on a straight-line basis over the related lease terms.

o. 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.

p. 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.

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

The net defined benefit asset represents the actual surplus in the Corporation's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plan or reductions in future contributions to the plan.

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.

q. Taxation

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

1) Current tax

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the 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 and unused tax credits for research and development expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. 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 profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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. Where current tax or deferred tax arises from the initial accounting for the acquisition of a subsidiary, the tax effect is included in the accounting for the acquisition of said subsidiary.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the 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. Estimated impairment of trade receivables

When there is objective evidence of impairment loss on receivables, the Corporation takes into consideration the estimated future cash flows of such receivables. The amount of impairment loss is measured as the difference between an asset's carrying amount and the present value of its estimated future cash flows discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Write-down of inventory

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

c. Impairment of investments in associates

The Corporation immediately recognizes impairment losses on its net investments in associates when there is any indication that such investments may be impaired and the carrying amounts may not be recoverable. The Corporation's management evaluates such impairment based on the estimated future cash flow expected to be generated by an associate. The Corporation also takes into consideration the market conditions and industry development when evaluating the appropriateness of the related assumptions.

d. Useful lives, residual values and depreciation method of property, plant and equipment

The Corporation reviews the estimated useful lives, residual values and depreciation methods of property, plant and equipment at each balance sheet date. If there are significant changes in the estimations or depreciation methods, the recognition of depreciation expenses will be affected.

e. Recognition and measurement of defined benefit plan

A net defined benefit liability (asset) and the resulting defined benefit costs under the defined benefit pension plan are calculated using the projected unit credit method. Actuarial assumptions comprise the discount rate, rate of employee turnover, future salary increase, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

f. Income taxes

The realizability of deferred income tax assets mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profit generated is less than expected, a material reversal of deferred income tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

g. Impairment of tangible and intangible assets

When performing an impairment test on an asset, the Corporation determines the cash flow, useful life and future gains and losses expected to arise from the asset in accordance with its pattern of utilization and the nature of the industry, depending on the Corporation's subjective judgment. Any change in such estimations due to economic conditions or the Corporation's strategies may result in significant impairment in the future.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2015	2014
Cash on hand	$ 1,026	$ 1,026
Checking accounts and demand deposits	732,496	474,812
Cash equivalents		
Bonds with repurchase agreements	500,550	269,567
	$ 1,234,072	$ 745,405

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

	December 31	
	2015	2014
Cash in bank	0.01-0.15%	0.01-0.18%
Bonds with repurchase agreements	0.37-0.42%	0.58-0.60%

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2015	2014
Domestic investments		
Listed shares	$ 4,177,621	$ 5,220,110
Emerging market shares	376,292	372,224
	$ 4,553,913	$ 5,592,334
Current	$ 1,182,447	$ 1,527,521
Non-current	3,371,466	4,064,813
	$ 4,553,913	$ 5,592,334

8. NOTES AND ACCOUNTS RECEIVABLE

	December 31	
	2015	2014
Notes receivable	$ 1,181,939	$ 1,489,486
Accounts receivable	2,576,458	2,673,474
Less: Allowance for impairment loss	(33,644)	(34,016)
	$ 3,724,753	$ 4,128,944

In determining the recoverability of notes and accounts receivable, the Corporation considered any change in the credit quality of the notes and accounts receivable since the date credit was initially granted to the end of the reporting period. The Corporation recognized an allowance for impairment loss of 100% against receivables when there was indication that the receivable was impaired, and the allowance for impairment loss was recognized against the rest of the past due receivables based on the estimated irrecoverable amounts determined by reference to the past default experience with the counterparties and an analysis of their current financial positions

For the accounts receivable balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss, because there was no significant change in the credit quality and the amounts were still considered recoverable.

The Corporation had a wide range of unrelated customers; hence the concentration in credit risk is relatively limited.

The aging analysis of receivables was as follows:

	December 31 2015	December 31 2014
Up to 90 days	$ 3,681,984	$ 4,093,629
91-180 days	36,588	31,598
181-365 days	3,712	1,324
Over 365 days	2,469	2,393
	$ 3,724,753	$ 4,128,944

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:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2014	$ 5,863	$ 29,132	$ 34,995
Reversals of provisions	(717)	(262)	(979)
Balance at December 31, 2014	5,146	28,870	34,016
(Reversals of) provisions	(4,979)	4,607	(372)
Balance at December 31, 2015	$ 167	$ 33,477	$ 33,644

9. INVENTORIES

	December 31 2015	December 31 2014
Finished goods	$ 375,564	$ 472,195
Work in process	558,371	363,484
Raw materials	404,392	336,522
Supplies	278,765	323,151
	$ 1,617,092	$ 1,495,352

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2015 and 2014 was $18,277,026 thousand and $19,798,965 thousand, respectively.

The cost of goods sold included reversals of inventory write-downs for the year ended December 31, 2014 of $37,360 thousand. Previous write-downs were reversed because related inventories were sold.

10. INVESTMENTS ACCOUNTED FOR BY USING EQUITY METHOD

	December 31 2015	December 31 2014
Investments in subsidiaries	$ 89,606,365	$ 94,713,585
Investments in associates	1,133,650	1,034,625
	$ 90,740,015	$ 95,748,210

a. Investments in subsidiaries

	December 31	
	2015	2014
Listed company		
Taiwan Prosperity Chemical Corporation	$ 1,870,037	$ 2,856,689
Unlisted companies		
TCC International Ltd.	53,033,971	57,857,478
Ho-Ping Power Company	19,423,631	18,412,245
Hoping Industrial Port Corporation	5,269,403	5,305,898
Ta-Ho Maritime Corporation	2,188,250	2,204,625
Taiwan Transport & Storage Corporation	1,700,091	1,736,944
TCC Investment Corporation	1,285,816	1,523,682
Ho Sheng Mining Co., Ltd.	1,271,783	1,314,556
Taiwan Cement Engineering Corporation	663,566	657,784
Kuan-Ho Construction & Development Corporation	475,510	459,509
Kuan-Ho Refractories Industry Corporation	357,500	317,487
Feng Sheng Enterprise Company	340,397	338,760
TCC Chemical Corporation	294,828	231,877
Ta-Ho Onyx Taitung Environment Co., Ltd.	293,410	184,895
TCC Information Systems Corporation	278,581	263,746
Ta-Ho Onyx RSEA Environment Co., Ltd.	234,504	252,782
Hong Kong Cement Manufacturing Co., Ltd. ("HKCMCL")	206,356	376,380
Tunwoo Company Limited	114,798	100,227
Jin Chang Minerals Corporation	111,015	122,229
HPC Power Service Corporation	96,692	95,329
E.G.C. Cement Corporation	94,750	98,948
Tung Chen Mineral Corporation	1,476	1,515
Taicorn Minerals Corp. ("TMC")	-	-
Trans Philippines Mineral Corp. ("TPMC")	-	-
	$ 89,606,365	$ 94,713,585

	Proportion of Ownership and Voting Rights	
	December 31	
	2015	2014
Listed company		
Taiwan Prosperity Chemical Corporation	50.0%	50.0%
Unlisted companies		
TCC International Ltd.	100.0%	100.0%
Ho-Ping Power Company	59.5%	59.5%
Hoping Industrial Port Corporation	100.0%	100.0%
Ta-Ho Maritime Corporation	64.8%	64.8%
Taiwan Transport & Storage Corporation	83.9%	83.9%
TCC Investment Corporation	100.0%	100.0%
Ho Sheng Mining Co., Ltd.	100.0%	100.0%
Taiwan Cement Engineering Corporation	99.0%	99.0%
Kuan-Ho Construction & Development Corporation	92.9%	92.9%
Kuan-Ho Refractories Industry Corporation	95.3%	95.3%

(Continued)

	Proportion of Ownership and Voting Rights	
	December 31	
	2015	2014
Feng Sheng Enterprise Company	45.4%	45.4%
TCC Chemical Corporation	100.0%	100.0%
Ta-Ho Onyx Taitung Environment Co., Ltd.	100.0%	100.0%
TCC Information Systems Corporation	99.4%	99.4%
Ta-Ho Onyx RSEA Environment Co., Ltd.	66.6%	66.6%
HKCMCL	84.7%	84.7%
Tunwoo Company Limited	100.0%	100.0%
Jin Chang Minerals Corporation	100.0%	100.0%
HPC Power Service Corporation	60.0%	60.0%
E.G.C. Cement Corporation	50.6%	50.6%
Tung Chen Mineral Corporation	99.5%	99.5%
TMC	72.7%	72.7%
TPMC	40.0%	40.0%

(Concluded)

Due to investment losses incurred, the investments in TMC and TPMC had credit balances of $26,477 thousand and 26,793 thousand as of December 31, 2015 and 2014, respectively, which were recorded in other non-current liabilities.

The Corporation's percentage of ownership in Feng Sheng Enterprise Company and TPMC were less than 50%, but the Corporation had control over those entities. Thus, Feng Sheng Enterprise Company and TPMC are subsidiaries of the Corporation.

The investments accounted for by using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2016 and 2015 were based on the associates' audited financial statements for the same years except for the financial statements of TMC and TPMC. The Corporation considered that there would be no significant adjustments if such financial statements were to be audited.

b. Investments in associates

	December 31	
	2015	2014
Associates that are not individually material		
CCC USA Corporation	$ 693,430	$ 619,533
ONYX Ta-Ho Environmental Services Co., Ltd.	430,104	405,222
Synpac Ltd.	10,116	9,870
	$ 1,133,650	$ 1,034,625

Aggregate information of associates that are not individually material is as follows:

	December 31	
	2015	2014
CCC USA Corporation	33.3%	33.3%
ONYX Ta-Ho Environmental Services Co., Ltd.	50.0%	50.0%
Synpac Ltd.	25.0%	25.0%

	For the Year Ended December 31	
	2015	2014
The Corporation's share of:		
Net income for the year	$ 307,779	$ 337,229
Other comprehensive income	23,246	18,626
Total comprehensive income for the year	$ 331,025	$ 355,855

The investments accounted for by using the equity method and the share of profit or loss and other comprehensive income of the investments for the years ended December 31, 2015 and 2014 were based on the associates' audited financial statements for the same years.

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Total
Cost					
Balance at January 1, 2014	$ 18,112,641	$ 16,129,098	$ 24,792,074	$ 4,078,686	$ 63,112,499
Additions	-	326	14,481	64,703	79,510
Disposals	-	-	(117,299)	(131,072)	(248,371)
Reclassification	-	6,023	20,461	13	26,497
Balance at December 31, 2014	$ 18,112,641	$ 16,135,447	$ 24,709,717	$ 4,012,330	$ 62,970,135
Accumulated depreciation and impairment					
Balance at January 1, 2014	$ 274,188	$ 6,310,274	$ 22,478,787	$ 3,752,940	$ 32,816,189
Depreciation expenses	-	341,699	501,009	68,161	910,869
Disposals	-	-	(116,988)	(131,040)	(248,028)
Balance at December 31, 2014	$ 274,188	$ 6,651,973	$ 22,862,808	$ 3,690,061	$ 33,479,030
Carrying amounts at December 31, 2014	$ 17,838,453	$ 9,483,474	$ 1,846,909	$ 322,269	$ 29,491,105
Cost					
Balance at January 1, 2015	$ 18,112,641	$ 16,135,447	$ 24,709,717	$ 4,012,330	$ 62,970,135
Additions	-	-	16,666	5,264	21,930
Disposals	(16)	-	(720,945)	(26,106)	(747,067)
Reclassification	-	-	12,421	-	12,421
Balance at December 31, 2015	$ 18,112,625	$ 16,135,447	$ 24,017,859	$ 3,991,488	$ 62,257,419
Accumulated depreciation and impairment					
Balance at January 1, 2015	$ 274,188	$ 6,651,973	$ 22,862,808	$ 3,690,061	$ 33,479,030
Depreciation expenses	-	336,988	491,293	61,959	890,240
Disposals	-	-	(720,867)	(26,054)	(746,921)
Balance at December 31, 2015	$ 274,188	$ 6,988,961	$ 22,633,234	$ 3,725,966	$ 33,622,349
Carrying amounts at December 31, 2015	$ 17,838,437	$ 9,146,486	$ 1,384,625	$ 265,522	$ 28,635,070

The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

Buildings	
Main buildings	50 years
Main plants	15-50 years
Storage units	35-50 years
Others	20-50 years
Machinery and equipment	8-28 years
Miscellaneous equipment	2-20 years

Property, plant and equipment pledged as collateral for performance bonds are set out in Note 23.

12. INVESTMENT PROPERTIES

	December 31	
	2015	**2014**
Land	$ 3,342,795	$ 3,342,795
Buildings	10,617	11,244
	$ 3,353,412	$ 3,354,039

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

The fair values of the investment properties were determined by the Corporation's management using the fair value model that market participants would use in determining fair value instead of having the fair values measured by independent valuers. The valuation was arrived at by reference to market evidence of transaction prices for similar properties as follows:

December 31	
2015	**2014**
$ 4,258,559	$ 4,262,679

13. BORROWINGS

a. Short-term loans

	December 31	
	2015	**2014**
Unsecured borrowings		
Bank loans - unsecured	$ 4,300,000	$ 1,899,000
Bank loans - letters of credit	132,649	298,905
	$ 4,432,649	$ 2,197,905
Interest rate	0.74-1.27%	0.79-1.23%

b. Short-term bills payable

	December 31	
	2015	2014
Commercial paper	$ 600,000	$ -
Less: Unamortized discount on bills payable	574	-
	$ 599,426	$ -
Interest rate	1.06%	-

c. Long-term loans

The Corporation entered into a 5-year syndicated loan agreement with a bank consortium with a credit line of $14 billion in January 2013, which was divided into two tranches, A and B. The key terms and conditions are set forth below:

1) The credit facility of Tranche A is $8.4 billion and shall be fully drawn down on a non-revolving basis in December 2013. From June 2016, its principle shall be repaid equally in 5 semi-annual installments and shall mature in June 2018; interest shall be paid quarterly.

2) The credit facility of Tranche B is $5.6 billion shall be fully drawn down on a revolving basis in December 2013. The period of each actual drawdown can be 90, 180 or another agreed-upon number of days, not surpassing 180 days, agreed to by the bank management. In each drawdown period, interest shall be paid at least every 3 months and the last day of each drawdown period shall be the maturity date when the principal plus interest for such period shall be repaid. On the applicable maturity date of each drawdown period, the repayment can be offset against a new drawdown amount; the Corporation and respective syndicated banks need not proceed with the fund flow if the amount is the same. The final maturity date shall be June 2018. The interest rate of long-term loans was 1.58% and 1.62% as of December 31, 2015 and 2014, respectively.

14. OTHER PAYABLES

	December 31	
	2015	2014
Salaries and bonuses payable	$ 441,394	$ 633,554
Payables for repairs	273,602	236,912
Payable for dividends	150,458	4,539
Taxes payable	118,552	139,095
Payables for electricity	108,079	118,613
Freight payables	39,464	40,442
Others	267,146	313,143
	$ 1,398,695	$ 1,486,298

15. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Corporation adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by the Corporation, which is in accordance with the Labor Standards Law, is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation contributes amounts equal to a specified percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Corporation's defined benefit plan were as follows:

	December 31	
	2015	**2014**
Present value of defined benefit obligation	$ (960,273)	$ (1,057,686)
Fair value of plan assets	1,403,056	2,123,793
Net defined benefit asset	$ 442,783	$ 1,066,107

Movements in net defined benefit asset were as follows:

	Present Value of Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Asset**
Balance at January 1, 2014	$ (1,142,471)	$ 2,175,100	$ 1,032,629
Service costs			
Current service costs	(14,120)	-	(14,120)
Net interest income (expense)	(19,993)	45,482	25,489
Recognized in profit or loss	(34,113)	45,482	11,369
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(47,246)	(47,246)
Actuarial loss - changes in demographic assumptions	(1,782)	-	(1,782)
Actuarial loss - experience adjustments	(13,505)	-	(13,505)
Recognized in other comprehensive income	(15,287)	(47,246)	(62,533)
Contributions from the Corporation	-	84,642	84,642
Benefits paid	134,185	(134,185)	-
Balance at December 31, 2014	(1,057,686)	2,123,793	1,066,107
Service costs			
Current service costs	(11,575)	-	(11,575)
Net interest expense (income)	(18,319)	37,733	19,414
Recognized in profit or loss	(29,894)	37,733	7,839
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(589,773)	(589,773)
Actuarial loss - changes in demographic assumptions	(1,970)	-	(1,970)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Asset
Actuarial loss - changes in financial assumptions	$ (30,950)	$ -	$ (30,950)
Actuarial loss - experience adjustments	(8,470)	-	(8,470)
Recognized in other comprehensive income	(41,390)	(589,773)	(631,163)
Benefits paid	168,697	(168,697)	-
Balance at December 31, 2015	$ (960,273)	$ 1,403,056	$ 442,783

(Concluded)

Through the defined benefit plan under the Labor Standards Law, the Corporation is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2015	2014
Discount rates	1.375%	1.75%
Expected rates of salary increase	2.25%	2.25%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2015
Discount rates	
0.25% increase	$ (20,821)
0.25% decrease	$ 21,565
Expected rates of salary increase	
0.25% increase	$ 20,976
0.25% decrease	$ (20,357)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2015	2014
The expected contributions to the plan for the next year	$ 6,386	$ 86,547
The average duration of the defined benefit obligation	9.9 years	10.1 years

16. EQUITY

a. Ordinary shares

	December 31	
	2015	2014
Number of shares authorized (in thousands)	6,000,000	6,000,000
Shares authorized	$ 60,000,000	$ 60,000,000
Number of shares issued and fully paid (in thousands)	3,692,176	3,692,176
Shares issued	$ 36,921,759	$ 36,921,759

A holder of issued ordinary shares with par value of NT$10 is entitled to the proportional rights to vote and to dividends.

b. Capital surplus

	December 31	
	2015	2014
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of shares	$ 10,435,775	$ 10,435,775
Conversion of bonds	1,520,632	1,520,632
Treasury share transactions	194,598	194,598
Donations	31,537	31,537
May only be used to offset a deficit (2)		
Changes in percentage of ownership interests in subsidiaries	116,238	32,231
Forfeited share options	10,315	10,315
May not be used for any purpose		
Changes in interests in associates accounted for by using equity method	520	440
	$ 12,309,615	$ 12,225,528

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

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 forth in the Corporation's Articles of Incorporation, 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 then 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' general meeting for the distribution of dividends and bonuses to shareholders.

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.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The consequential amendments to the Corporation's Articles of Incorporation were proposed by the Corporation's board of directors in November 2015 and are subject to resolution by the shareholders in their meeting to be held in June 2016. For information about the accrual basis of the employees' compensation and remuneration of directors and the actual appropriations, refer to Note 17b. "Employee benefits expense".

Items referred to under Rule No. 1010012865, Rule No. 10110047490 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.

Except for non-ROC resident shareholders, all shareholders receiving dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Corporation.

The appropriations of earnings for 2014 and 2013 approved in the shareholders' general meetings in June 2015 and June 2014, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2014	2013	2014	2013
Legal reserve	$ 1,082,887	$ 1,002,673		
Cash dividends	9,193,518	8,492,005	$ 2.49	$ 2.30

The appropriation of earnings for 2015 were proposed by the Corporation's board of directors on March 30, 2016. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 577,599	
Cash dividends	4,910,594	$1.33

The appropriation of earnings for 2015 is subject to the resolution of the shareholders' general meeting to be held in June 2016.

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, and such special reserve of $159 thousand and $539 thousand were reversed for the years ended December 31, 2015 and 2014, 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. There was no such reversal during the years ended December 31, 2015 and 2014.

e. Other equity items

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

	For the Year Ended December 31	
	2015	2014
Balance at January 1	$ 3,226,509	$ 1,496,348
Share of exchange differences of subsidiaries and associates accounted for by using the equity method	(987,416)	1,730,161
Balance at December 31	$ 2,239,093	$ 3,226,509

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

	For the Year Ended December 31	
	2015	2014
Balance at January 1	$ 16,042,717	$ 15,202,029
Unrealized gain (loss) arising on revaluation of available-for-sale financial assets	(1,031,027)	442,748
Reclassification of impairment arising from available-for-sale financial assets	3,334	-
Share of unrealized gain (loss) on revaluation of available-for-sale financial assets of subsidiaries and associates accounted for by using the equity method	(4,021,050)	397,940
Balance at December 31	$ 10,993,974	$ 16,042,717

3) Cash flow hedges

	For the Year Ended December 31	
	2015	2014
Balance at January 1	$ 12,130	$ (1,000)
Share of cash flow hedges of subsidiaries accounted for by using the equity method	(6,643)	13,130
Balance at December 31	$ 5,487	$ 12,130

17. DEPRECIATION AND AMORTIZATION, EMPLOYEE BENEFITS EXPENSE AND OTHER INCOME

a. Depreciation and amortization

	For the Year Ended December 31	
	2015	2014
Property, plant and equipment	$ 890,240	$ 910,869
Investment properties	627	832
Intangible assets	36,553	36,557
	$ 927,420	$ 948,258
An analysis of depreciation by function		
Operating costs	$ 835,124	$ 854,427
Operating expenses	54,790	56,246
Non-operating expenses	953	1,028
	$ 890,867	$ 911,701
An analysis of amortization by function		
Operating costs	$ 36,553	$ 36,557

b. Employee benefits expense

	For the Year Ended December 31					
	2015			2014		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Retirement benefit plans						
Defined contribution plan	$ 14,290	$ 6,853	$ 21,143	$ 15,144	$ 7,044	$ 22,188
Defined benefit plan	(5,852)	(1,987)	(7,839)	(8,542)	(2,827)	(11,369)
	8,438	4,866	13,304	6,602	4,217	10,819
Other employee benefits						
Salary	668,229	270,489	938,718	833,654	491,258	1,324,912
Labor and health insurance	40,300	19,447	59,747	43,656	19,821	63,477
Others	14,684	4,902	19,586	15,890	5,077	20,967
	723,213	294,838	1,018,051	893,200	516,156	1,409,356
	$ 731,651	$ 299,704	$ 1,031,355	$ 899,802	$ 520,373	$ 1,420,175

As of December 31, 2015 and 2014, the Corporation had 811 and 878 employees, respectively.

In compliance with the Company Act as amended in May 2015 and the proposed amended Articles of Incorporation of the Corporation, which was approved by the Corporation's board of directors in November 2015, 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 year ended December 31, 2015, the employees' compensation and the remuneration of directors were $28,834 thousand and $50,517 thousand, respectively. The employees' compensation and remuneration of directors in cash for the year ended December 31, 2015 were approved by the Corporation's board of directors in March 2016 and are subject to the resolution on the amendments to the Corporation's Articles of Incorporation for adoption by the shareholders in their general meeting to be held in June 2016, and in addition, thereto a report of such distributions shall be submitted in the shareholders' general meeting.

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the date that the financial statements are authorized for issue are adjusted in the year that the bonuses and remuneration were recognized. If there is a change in the proposed amounts after the financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The bonuses to employees and remuneration of directors and supervisors for 2014 and 2013, which were approved in the shareholders' general meetings in June 2015 and 2014, respectively, were as follows:

For the Year Ended December 31			
2014		2013	
Bonus to Employees	Remuneration of Directors and Supervisors	Bonus to Employees	Remuneration of Directors and Supervisors
$58,612	$93,456	$60,140	$86,385

There was no difference between the amounts of the bonuses to employees and the remuneration of directors and supervisors approved in the shareholders' general meeting and the amounts recognized in the financial statements for the years ended December 31, 2014 and 2013.

Information on the appropriation of earnings, the employees' compensation and remuneration of directors proposed by the Corporation's board of directors in 2016 and the appropriation of earnings, bonuses to employees and remuneration of directors resolved in the shareholders' general meeting in 2015 and 2014 are available on the Market Observation Post System website of the Taiwan Stock Exchange.

c. Other income

	For the Year Ended December 31	
	2015	2014
Finance income	$ 81,170	$ 58,477
Interest income	10,508	15,693
Gain on disposal of assets	1,796	7,024
Others	59,666	96,756
	$ 153,140	$ 177,950

d. Other expenses

	For the Year Ended December 31	
	2015	2014
Loss on financial liabilities at fair value through profit or loss	$ 67,969	$ 59
Loss on work stoppage	55,369	95,429
Others	50,623	12,303
	$ 173,961	$ 107,791

18. INCOME TAX

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

	For the Year Ended December 31	
	2015	2014
Current tax		
In respect of the current year	$ 258,798	$ 77,000
Income tax on unappropriated earnings	48,031	88,675
Adjustments for prior years	(1,788)	2,504
	305,041	168,179
Deferred tax		
In respect of the current year	(146,111)	34,744
Others	(330)	457
	(146,441)	35,201
Income tax expense recognized in profit or loss	$ 158,600	$ 203,380

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the Year Ended December 31	
	2015	2014
Income before tax	$ 5,934,589	$ 11,032,248
Income tax expense at the statutory rate	$ 1,008,880	$ 1,875,482
Tax-exempt income	(807,266)	(928,153)
Unrecognized deductible temporary differences	28,750	(835,590)
Land value increment tax	(118,566)	-
Adjustments for prior years	(1,788)	2,504
Income tax on unappropriated earnings	48,031	88,675
Others	559	462
Income tax expense recognized in profit or loss	$ 158,600	$ 203,380

The applicable tax rate used above is the corporate tax rate of 17%.

As the status of 2016 appropriations of earnings is uncertain, the potential income tax consequences of 2015 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2015	2014
Deferred tax in the current year		
Remeasurement on defined benefit plan	$ (107,298)	$ (10,631)

c. Current tax assets and liabilities

	December 31	
	2015	2014
Current income tax liabilities	$ 266,646	$ 73,551

d. Deferred income tax assets and liabilities

The movements of deferred income tax assets (included in other non-current assets) and deferred income tax liabilities were as follows:

For the year ended December 31, 2015

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred income tax assets				
Inventories	$ 35,645	$ -	$ -	$ 35,645
Property, plant and equipment	17,233	(941)	-	16,292
Long-term employee benefits	6,641	(191)	-	6,450
Deferred revenue	4,997	(209)	-	4,788
Investment properties	2,593	(82)	-	2,511
Others	3,611	(779)	-	2,832
	$ 70,720	$ (2,202)	$ -	$ 68,518

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
Deferred income tax liabilities					
Land value increment tax	$ 5,023,893	$ (118,566)	$ -	$ (12,317)	$ 4,893,010
Defined benefit plan	162,982	1,333	(107,298)	-	57,017
Retained earnings from foreign subsidiaries	150,815	(31,410)	-	-	119,405
	$ 5,337,690	$ (148,643)	$ (107,298)	$ (12,317)	$ 5,069,432

For the year ended December 31, 2014

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred income tax assets				
Inventories	$ 41,996	$ (6,351)	$ -	$ 35,645
Property, plant and equipment	17,934	(701)	-	17,233
Long-term employee benefits	7,028	(387)	-	6,641
Deferred revenue	5,206	(209)	-	4,997
Investment properties	6,091	(3,498)	-	2,593
Others	3,804	(193)	-	3,611
	$ 82,059	$ (11,339)	$ -	$ 70,720
Deferred income tax liabilities				
Land value increment tax	$ 5,023,893	$ -	$ -	$ 5,023,893
Defined benefit plan	157,291	16,322	(10,631)	162,982
Retained earnings from foreign subsidiaries	143,275	7,540	-	150,815
	$ 5,324,459	$ 23,862	$ (10,631)	$ 5,337,690

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

As of December 31, 2015 and 2014, the taxable temporary differences in respect of investments in subsidiaries and associates for which no deferred tax liabilities have been recognized were $24,198,560 thousand and $24,356,493 thousand, respectively.

f. Integrated income tax information

	December 31 2015	December 31 2014
Unappropriated earnings		
Generated before January 1, 1998	$ 38,366	$ 38,366
Generated on and after January 1, 1998	19,672,531	24,712,429
	$ 19,710,897	$ 24,750,795
Shareholder-imputed credit accounts	$ 1,391,805	$ 1,339,699

The estimated and actual creditable ratio for the distributions of 2015 and 2014 were 7.07% and 8.55%, respectively.

g. Income tax assessments

The tax returns of the Corporation through 2013 have been assessed by the tax authorities.

19. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2015	2014
Basic earnings per share	$ 1.56	$ 2.93
Diluted earnings per share	$ 1.56	$ 2.93

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

	For the Year Ended December 31	
	2015	2014
Net income for the year	$ 5,775,989	$ 10,828,868
Number of shares (in thousands)		
Weighted average number of ordinary shares in computation of basic earnings per share	3,692,176	3,692,176
Effect of potentially dilutive ordinary shares:		
Employees' compensation	1,829	2,016
Weighted average number of ordinary shares used in the computation of diluted earnings per share	3,694,005	3,694,192

If the Corporation offered to settle compensation paid to employees in cash or shares, the Corporation 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.

20. CAPITAL MANAGEMENT

The Corporation needs to maintain sufficient capital to fulfill the Corporation's requirements of business expansion and construction. Therefore, the capital management of the Corporation 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.

21. FINANCIAL INSTRUMENTS

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

The financial statements included holdings in unlisted shares. The fair values of those unlisted shares estimated through valuation techniques would fluctuate with high volatility, and the management believes that their fair values cannot be reliably measured. Therefore, such investments were measured at cost less accumulated impairment.

b. Fair value of financial instruments that are measured at fair value

Fair value hierarchy

December 31, 2015

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed shares	$ 4,177,621	$ -	$ -	$ 4,177,621
Domestic emerging market shares	376,292	-	-	376,292
	$ 4,553,913	$ -	$ -	$ 4,553,913

December 31, 2014

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed shares	$ 5,220,110	$ -	$ -	$ 5,220,110
Domestic emerging market shares	372,224	-	-	372,224
	$ 5,592,334	$ -	$ -	$ 5,592,334

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

c. Categories of financial instruments

	December 31	
	2015	2014
Financial assets		
Loans and receivables (1)	$ 5,760,130	$ 5,614,464
Available-for-sale (2)	4,662,212	5,702,699
Financial liabilities		
Amortized cost (3)	21,977,052	19,377,151

1) The balances include loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, and other receivables.

2) The balances include the carrying amount of available-for-sale financial assets measured at cost.

3) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, accounts payable, other payables and long-term liabilities.

d. Financial risk management objectives and policies

The risk control and hedging strategy performed by the Corporation were affected by operation environments, and the Corporation 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.

1) Market risk

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

a) Foreign currency risk

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

The carrying amounts of the significant monetary assets and liabilities not denominated in functional currency at the end of the reporting period are set out in Note 25.

The Corporation was mainly exposed to the USD. Regarding outstanding foreign monetary items, if there is a 1% increase or decrease in the NTD against the USD net income and equity for the years ended December 31, 2015 and 2014 would increase/decrease by $2,383 thousand and $625 thousand, respectively.

b) Interest rate risk

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

	December 31	
	2015	2014
Cash flow interest rate risk		
Financial assets	$ 732,496	$ 474,812
Financial liabilities	18,413,702	16,171,118

The interest risk was evaluated based on the position of financial assets and liabilities. The sensitivity analysis below was determined based on the Corporation's floating interest rate financial assets and liabilities at the end of the reporting period, and a 50 basis point increase or decrease was used, representing 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 Corporation's 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 years ended December 31, 2015 and 2014 would increase/decrease by $3,040 thousand and $1,970 thousand, respectively.

For the Corporation's 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 years ended December 31, 2015 and 2014 would increase/decrease by $76,417 thousand and $67,110 thousand, respectively.

c) Other price risk

The Corporation was exposed to equity price risk through its investments in listed shares and emerging market shares. Equity investments are held for strategic rather than trading purposes. The Corporation does not actively trade these investments. Sensitivity analyses were used for evaluating the exposure to equity price risks.

The sensitivity analyses were based on the exposure of listed shares and emerging market shares at the end of the reporting period. If equity prices had been 5% higher/lower, other comprehensive income for the years ended December 31, 2015 and 2014 would increase/decrease by $227,696 thousand and $279,617 thousand, respectively.

2) Credit risk

Potential impacts on financial assets would occur if the 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 Corporation's maximum exposure to credit risk, which would cause a financial loss to the Corporation due to the failure of counterparties to discharge an obligation, could arise from the carrying amounts of the respective recognized financial assets as stated in the balance sheets.

The Corporation transacted with a large number of customers from various industries and geographical locations. The Corporation continuously assesses the operations and financial positions of customers and monitors the collectability of accounts receivable. The Corporation required credit enhancements by bank guarantees or collateral for certain customers.

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

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank facilities and ensures compliance with loan covenants. As of December 31, 2015 and 2014, the amount of unused financing facilities was $11,821,550 thousand and $12,479,749 thousand, respectively.

The following table details the Corporation'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 Corporation can be required to pay. The table included both interest and principal cash outflows. 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.

December 31, 2015

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 342,634	$ 1,736,323	$ 1,189,362	$ 4,277	$ -
Variable interest rate liabilities	1,619,928	2,476,267	3,915,658	10,852,204	-
Fixed interest rate liabilities	-	600,000	-	-	-
	$ 1,962,562	$ 4,812,590	$ 5,105,020	$ 10,856,481	$ -

December 31, 2014

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 448,277	$ 1,477,631	$ 1,440,258	$ 74,400	$ -
Variable interest rate liabilities	-	2,199,749	-	14,657,187	-
	$ 448,277	$ 3,677,380	$ 1,440,258	$ 14,731,587	$ -

22. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in other notes, details of transactions between the Corporation and other related parties are disclosed below.

a. Operating transactions

	Operating Revenue		Operating Costs and Expenses	
	2015	2014	2015	2014
Subsidiaries	$ 1,532,655	$ 1,337,796	$ 4,377,805	$ 4,564,889
Management personnel in substance	585,217	640,562	59,643	7,839
Associates	193,896	186,449	285	304
Entities over which the Corporation has significant influence	118,952	144,283	703,366	796,514
Investors with significant influence over the Corporation	95,594	137,619	51,244	7,662
Entities with same key management personnel	20,751	18,910	7,000	14,026
	$ 2,547,065	$ 2,465,619	$ 5,199,343	$ 5,391,234

	December 31	
	2015	2014
Receivables from related parties		
Subsidiaries	$ 233,194	$ 263,418
Management personnel in substance	113,898	117,215
Associates	69,902	35,028
Entities over which the Corporation has significant influence	34,598	30,472
Investors with significant influence over the Corporation	20,921	28,789
	$ 472,513	$ 474,922
Payables to related parties		
Subsidiaries	$ 380,894	$ 343,335
Entities over which the Corporation has significant influence	119,855	160,488
Others	42	8,617
	$ 500,791	$ 512,440

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.

b. Loans to related parties (included in other receivables from related parties)

	December 31	
	2015	2014
Subsidiaries	$ 275,000	$ 225,000

For the years ended December 31, 2015 and 2014, the loans to subsidiaries were unsecured.

	December 31	
	2015	2014
Interest income	$ 3,295	$ 3,841

c. Other receivables from related parties

	December 31	
	2015	2014
Subsidiaries	$ 50,376	$ 38,035
Other	3,416	2,158
	$ 53,792	$ 40,193

Other receivables from related parties included interest and fee receivables.

d. Other payables to related parties

	December 31 2015	December 31 2014
Subsidiaries	$ 68,629	$ 50,501

e. Endorsements and guarantees

Endorsements and guarantees provided by the Corporation to the related parties and actually drawn as of December 31, 2015 and 2014 were as follows:

	December 31 2015	December 31 2014
Subsidiaries	$ 19,689,564	$ 11,416,740

f. Compensation of key management personnel

	December 31 2015	December 31 2014
Short-term employee benefits	$ 97,112	$ 157,062
Post-employment benefits	2,195	2,089
	$ 99,307	$ 159,151

23. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged or mortgaged as collateral for performance bonds and other credit accommodations:

	December 31 2015	December 31 2014
Property, plant and equipment	$ 76,435	$ 76,435
Pledged bank deposits (included in other non-current assets)	92,045	92,007
	$ 168,480	$ 168,442

24. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. As of December 31, 2015 and 2014, the letters of credit for purchase of raw materials were $111,054 thousand and $74,064 thousand, respectively.

b. As of December 31, 2015 and 2014, the Corporation has issued bills of lading for finished goods in the amount of 286,000 tons and 657,000 tons, respectively, as collateral for its credit lines with financial institutions.

c. As of December 31, 2015 and 2014, the amounts of letters of guarantee issued by the banks for the Corporation were $43,747 thousand and $45,933 thousand, respectively.

25. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of Corporation 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:

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 16,053	32.825 (USD:NTD)	$ 526,940
Non-monetary items			
USD	21,433	32.825 (USD:NTD)	$ 703,546
HKD	12,571,506	4.235 (HKD:NTD)	53,240,327
			$ 53,943,873
Financial liabilities			
Monetary items			
USD	7,306	32.825 (USD:NTD)	$ 239,832

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 11,961	31.650 (USD:NTD)	$ 378,567
Non-monetary items			
USD	19,886	31.650 (USD:NTD)	$ 629,403
HKD	14,273,005	4.080 (HKD:NTD)	58,233,858
			$ 58,863,261
Financial liabilities			
Monetary items			
USD	9,582	31.650 (USD:NTD)	$ 303,269

26. 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 (Note 17)

10) 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 balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services

TABLE 1

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2015
(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)	Aggregate Financing Limit (Note)	Note
													Item	Value			
0	Taiwan Cement Corporation	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	$ 300,000	$ 300,000	$ 275,000	1.56	The need for short-term financing	$ -	Operating capital	$ -	-	$ -	$ 21,608,597	$ 43,217,194	
1	Taiwan Transport & Storage Corporation	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	350,000	340,000	340,000	1.79	The need for short-term financing	-	Operating capital	-	-	-	810,343	810,343	
		Ho Swen Construction Material Co., Ltd.	Other receivables - related parties	Yes	26,000	2,497	2,497	3.00	The need for short-term financing	-	Operating capital	2,497	-	-	810,343	810,343	
2	Ta-Ho Onyx Taitung Environment Co., Ltd.	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	70,000	70,000	70,000	1.79	The need for short-term financing	-	Operating capital	-	-	-	117,364	117,364	
3	Taiwan Cement Engineering Corporation	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	250,000	250,000	250,000	1.79	The need for short-term financing	-	Operating capital	-	-	-	274,594	274,594	
4	Ho Sheng Mining Co., Ltd.	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	100,000	80,000	40,000	1.79	The need for short-term financing	-	Operating capital	-	-	-	68,593	68,593	
5	TCCI	TCCIH	Other receivables - related parties	Yes	8,216,938	3,938,550	3,938,550	1.79	The need for short-term financing	-	Operating capital	-	-	-	21,212,144	21,212,144	
6	TCC (Guigang) Cement Limited	TCC Huaying Cement Company Limited	Other receivables - related parties	Yes	1,490,688	1,438,560	1,435,779	3.68	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	1,035,200	999,000	872,127	3.88	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Jingzhou Cement Company Limited	Other receivables - related parties	Yes	776,400	749,250	649,350	3.88	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	1,449,280	1,398,600	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	517,600	499,500	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	517,600	499,500	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables - related parties	Yes	103,520	99,900	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
7	Yingde Dragon Mountain Cement Co., Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	1,035,200	999,000	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
8	TCC Yingde Cement Co., Ltd.	TCC Guangan Cement Co., Ltd.	Other receivables - related parties	Yes	1,035,200	999,000	449,550	3.68	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	776,400	749,250	736,763	3.88	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Shaoguan Cement Co., Ltd.	Other receivables - related parties	Yes	406,188	391,984	391,984	3.68	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Jingzhou Cement Company Limited	Other receivables - related parties	Yes	258,800	249,750	234,765	3.88	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Anshun Cement Co., Ltd.	Other receivables - related parties	Yes	1,035,200	999,000	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC (Dong Guan) Cement Co., Ltd.	Other receivables - related parties	Yes	517,600	499,500	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCCI (HK)	Other receivables - related parties	Yes	717,972	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Dongguan Jinli Cement Company Limited	Other receivables - related parties	Yes	266,749	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,716,137	6,716,137	

(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)	Aggregate Financing Limit (Note)	Note
9	TCC Fuzhou Cement Co., Ltd.	TCC New (Hangzhou) Management Co., Ltd.	Other receivables - related parties	Yes	$ 517,600	$ 499,500	$ 299,700	3.48	The need for short-term financing	$ -	Operating capital	$ -	-	$ -	$ 80,605,404	$ 161,210,808	
		TCC Liaoning Cement Co., Ltd.	Other receivables - related parties	Yes	362,320	349,650	174,825	3.88	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	258,800	249,750	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	258,800	249,750	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
10	TCCIH	TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	270,813	261,342	261,342	-	The need for short-term financing	-	Operating capital	-	-	-	32,242,162	32,242,162	
		Kong On Cement Holdings Ltd.	Other receivables - related parties	Yes	14,243	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	32,242,162	32,242,162	
11	Prime York Ltd.	Upper Value Investment Limited	Other receivables - related parties	Yes	216,291	215,985	215,985	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
12	Jurong TCC Cement Co., Ltd.	TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	1,294,000	1,248,750	1,248,750	3.48	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Dongguan Jinli Cement Company Limited	Other receivables - related parties	Yes	543,480	524,475	524,475	4.65	The need for short-term financing	-	Operating capital	-	-	-	4,748,211	4,748,211	
		TCC Liaoning Cement Co., Ltd.	Other receivables - related parties	Yes	258,800	249,750	249,750	3.48	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	776,400	749,250	174,825	3.88	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC New (Hangzhou) Management Co., Ltd.	Other receivables - related parties	Yes	170,808	149,850	149,850	3.40	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Huaihua Concrete Company Limited	Other receivables - related parties	Yes	155,280	149,850	89,910	3.48	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Chongqing Cement Co., Ltd.	Other receivables - related parties	Yes	1,035,200	999,000	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Anshun Cement Co., Ltd.	Other receivables - related parties	Yes	1,035,200	999,000	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	517,600	499,500	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Guangan Cement Co., Ltd.	Other receivables - related parties	Yes	517,600	499,500	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Liuzhou Construction Materials Co., Ltd.	Other receivables - related parties	Yes	103,520	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	4,748,211	4,748,211	
13	TCC Anshun Cement Co., Ltd.	Anshun Xin Tai Construction Materials Company Limited	Other receivables - related parties	Yes	103,520	99,900	12,488	3.88-4.08	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Guizhou Kong On Cement Co., Ltd.	Other receivables - related parties	Yes	258,800	249,750	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	155,280	149,850	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables - related parties	Yes	155,280	149,850	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
14	TCC Guangan Cement Co., Ltd.	Guangan Xin Tai Construction Materials Company Limited	Other receivables - related parties	Yes	27,692	26,723	26,723	-	The need for short-term financing	-	Operating capital	-	-	-	915,241	915,241	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	152,010	149,850	-	-	The need for short-term financing	-	Operating capital	-		-	80,605,404	161,210,808	
15	TCCI (HK)	Jurong TCC Cement Co., Ltd.	Other receivables - related parties	Yes	410,875	410,313	410,313	1.40	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
16	Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	603,892	545,658	545,658	1.24	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	

(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)	Aggregate Financing Limit (Note)	Note
17	TCC Chongqing Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	$ 258,800	$ 249,750	$ 149,850	3.88	The need for short-term financing	$ -	Operating capital	$ -	-	$ -	$ 80,605,404	$ 161,210,808	
		Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	155,280	149,850	149,850	3.68	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	499,500	499,500	139,361	3.48	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Huaying Cement Company Limited	Other receivables - related parties	Yes	207,040	124,875	79,284	3.88	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		TCC Guangan Cement Co., Ltd.	Other receivables - related parties	Yes	517,600	499,500	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	258,800	249,750	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
18	TCC New (Hangzhou) Management Co., Ltd.	Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	320,912	309,690	309,690	3.88-4.48	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	284,680	274,725	219,780	3.88	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables - related parties	Yes	41,408	39,960	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
19	Prosperity Minerals (China) Ltd.	TCC New (Hangzhou) Management Co., Ltd.	Other receivables - related parties	Yes	412,878	398,440	198,640	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
20	THC International S.A.	Da Tong (Guigang) International Logistics Co., Ltd.	Other receivables - related parties	Yes	246,525	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,377,587	6,755,174	
21	Da Tong (Guigang) International Logistics Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	Other receivables - related parties	Yes	155,280	149,850	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,377,587	6,755,174	
22	Hexagon III Holdings Ltd.	Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	204,628	204,339	204,339	2.50	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
23	Hexagon IV Holdings Ltd.	Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	392,293	391,738	391,738	2.50	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
24	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	155,280	149,850	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
25	Guizhou Kong On Cement Company Limited	TCC Anshun Cement Company Limited	Other receivables - related parties	Yes	98,940	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	80,605,404	161,210,808	
26	TCC Investment Corporation	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	260,000	40,000	40,000	1.76	The need for short-term financing	-	Operating capital	-	-	-	498,520	498,520	
		Jin Chang Minerals Corporation	Other receivables - related parties	Yes	7,000	7,000	7,000	1.75	The need for short-term financing	-	Operating capital	-	-	-	498,520	498,520	
27	Union Cement Traders Inc.	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	200,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	148,550	148,550	

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

a. The individual and aggregate financing limits for Taiwan Cement Corporation were 20% and 40%, respectively, of its net equity or of the transaction amount with the borrower.

b. The individual and aggregate financing limits of the foreign subsidiaries whose voting rights are 100% directly or indirectly owned by TCCIH and Ta-Ho Maritime Corporation were 100% and 200% of the net equity of TCCIH and Ta-Ho Maritime Corporation, respectively.

c. The individual and aggregate financing limits for the other companies were 40% of the net value of each company.

(Concluded)

TABLE 2

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee Name	Endorsee/Guarantee Relationship (Note 3)	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
0	Taiwan Cement Corporation	TCCI	b	$ 54,021,492	$ 33,724,620	$ 33,678,450	$ 15,427,750	$ -	31.17	$ 108,042,985	Y	N	N	
		TCC Investment Corporation	b	54,021,492	2,840,000	2,840,000	1,729,000	-	2.63	108,042,985	Y	N	N	
		TCC Chemical Corporation	b	54,021,492	2,990,000	2,608,000	1,533,000	-	2.41	108,042,985	Y	N	N	
		Union Cement Traders Inc.	c	54,021,492	1,785,000	1,625,000	427,000	-	1.50	108,042,985	Y	N	N	
		Kuan-Ho Construction & Development Corporation	b	54,021,492	810,000	750,000	533,000	-	0.69	108,042,985	Y	N	N	
		Jin Chang Minerals Corporation	b	54,021,492	68,848	68,848	39,814	39,814	0.06	108,042,985	Y	N	N	
1	TCCIH	TCC (Guigang) Cement Limited	c	40,302,702	9,829,765	9,829,765	8,682,213	-	12.19	80,605,404	Y	N	Y	
		TCC Yingde Cement Co., Ltd.	c	40,302,702	4,554,740	4,015,675	2,683,007	-	4.98	80,605,404	Y	N	Y	
		Jurong TCC Cement Co., Ltd.	c	40,302,702	3,517,090	3,512,275	2,921,425	-	4.36	80,605,404	Y	N	Y	
		TCC Chongqing Cement Co., Ltd.	c	40,302,702	3,640,060	2,808,025	2,354,900	-	3.48	80,605,404	Y	N	Y	
		TCC Anshun Cement Co., Ltd.	c	40,302,702	2,668,100	2,668,100	2,593,175	-	3.31	80,605,404	Y	N	Y	
		TCC Fuzhou Cement Co., Ltd.	c	40,302,702	2,169,516	2,038,877	617,110	-	2.53	80,605,404	Y	N	Y	
		Scitus Luzhou Cement Co., Ltd.	c	40,302,702	1,969,500	1,969,500	1,148,875	-	2.44	80,605,404	Y	N	Y	
		TCC Liaoning Cement Co., Ltd.	c	40,302,702	1,893,980	1,865,300	1,116,050	-	2.31	80,605,404	Y	N	Y	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	c	40,302,702	1,643,500	1,641,250	1,313,000	-	2.04	80,605,404	Y	N	Y	
		TCC Guangan Cement Co., Ltd.	c	40,302,702	1,061,660	903,400	853,450	-	1.12	80,605,404	Y	N	Y	
		Guizhou Kong On Cement Co., Ltd.	c	40,302,702	861,656	861,656	303,631	-	1.07	80,605,404	Y	N	Y	
		Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	e	40,302,702	611,040	524,475	524,475	-	0.65	80,605,404	N	N	Y	
		Scitus Naxi Cement Co., Ltd.	c	40,302,702	633,000	328,250	328,250	-	0.41	80,605,404	Y	N	Y	
2	TCC Yingde Cement Co., Ltd.	TCC (Gui Gang) Cement Ltd.	c	8,395,172	3,498,401	-	-	-	-	16,790,343	N	N	Y	
3	TCC (Guigang) Cement Limited	TCCIH (HK)	d	6,693,061	776,400	749,250	749,250	-	5.60	13,386,122	N	Y	N	
4	TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	b	1,449,169	184,001	-	-	-	-	2,898,338	Y	N	Y	
5	TCC Jingzhou Cement Company Limited	TCC Huaihua Cement Company Limited	d	706,061	191,926	-	-	-	-	1,412,121	N	Y	Y	
6	Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	d	34,296	30,283	30,283	30,283	-	17.66	171,482	N	Y	N	

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

a. For Taiwan Cement Corporation, TCCIH, TCC Yingde Cement Co., Ltd., TCC (Guigang) Cement Limited, TCC Huaihua Cement Company Limited and TCC Jingzhou Cement Company Limited, 50% of the net equity in the latest financial statements.
b. For Ho Sheng Mining Co., Ltd., 20% of its net equity in the latest financial statements.

Note 2: Aggregate endorsement/guarantee limit was the net equity in the latest financial statements.

(Continued)

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

a. Having a business relationship.
b. The endorser/guarantor owns directly more than 50% of the ordinary shares of the endorsee/guarantee.
c. The endorser/guarantor and its subsidiaries jointly own more than 50% of the ordinary shares of the endorsee/guarantee.
d. The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
e. Due to joint venture, each shareholder provides endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.

(Concluded)

TABLE 3

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan Cement Corporation	Shares							
	Taishin Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	52,352	$ 596,816	-	$ 596,816	
	CTCI Corporation	-	Available-for-sale financial assets - current	9,054	324,598	-	324,598	
	Chia Hsin Cement Corporation	The vice chairman is a 2nd degree relative of the Corporation's chairman	Available-for-sale financial assets - current	27,419	261,033	-	261,033	
	China Hi-Ment Corporation	The Corporation serves as director	Available-for-sale financial assets - non-current	27,451	1,641,573	-	1,641,573	
	China Synthetic Rubber Corporation	The same chairman	Available-for-sale financial assets - non-current	52,552	1,213,964	-	1,213,964	
	Industrial Bank of Taiwan	The Corporation serves as director	Available-for-sale financial assets - non-current	30,000	233,100	-	233,100	
	Taiwan Television Enterprise, Ltd.	The Corporation serves as supervisor	Available-for-sale financial assets - non-current	13,573	143,192	-	143,192	
	Chien Kuo Construction Co., Ltd.	-	Available-for-sale financial assets - non-current	9,403	83,685	-	83,685	
	Chinatrust Financial Holding Co., Ltd.	-	Available-for-sale financial assets - non-current	3,310	55,952	-	55,952	
	IBT II Venture Capital Corporation	The Corporation serves as director	Financial assets carried at cost - non-current	3,784	37,843	8.3	-	
	Rong Gong Enterprise Co.	The Corporation serves as supervisor	Financial assets carried at cost - non-current	3,390	33,900	4.0	-	
	Chinatrust Investment Co., Ltd.	The same chairman	Financial assets carried at cost - non-current	27,361	12,156	8.7	-	
	Pan Asia Corporation	The Corporation serves as supervisor	Financial assets carried at cost - non-current	5,937	8,996	5.4	-	
	Taiwan Stock Exchange Corporation	The Corporation serves as director	Financial assets carried at cost - non-current	43,767	8,010	6.6	-	
	E-ONE Moli Energy Corporation	The same chairman	Financial assets carried at cost - non-current	983	7,394	0.4	-	
	Excel Corporation	-	Financial assets carried at cost - non-current	600	-	9.5	-	
Taiwan Transport & Storage Corporation	Shares							
	Chia Hsin Cement Corporation	The vice chairman is a 2nd degree relative of the Corporation's chairman	Available-for-sale financial assets - current	8,632	82,172	-	82,172	
TCC Investment Corporation	Shares							
	China Conch Venture Holdings Limited	-	Available-for-sale financial assets - current	28,000	1,904,395	-	1,904,395	
	Taishin Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	10,015	114,166	-	114,166	
	Chia Hsin Cement Corporation	The vice chairman is a 2nd degree relative of the Corporation's chairman	Available-for-sale financial assets - current	8,334	79,339	-	79,339	7,000 thousand shares were pledged
	China Synthetic Rubber Corporation	The same chairman	Available-for-sale financial assets - non-current	11,922	275,391	-	275,391	1,934 thousand shares were pledged
	Industrial Bank of Taiwan	The Corporation serves as director	Available-for-sale financial assets - non-current	21,934	170,427	-	170,427	21,000 thousand shares were pledged
	Chinatrust Investment Co., Ltd.	The same chairman	Financial assets carried at cost - non-current	10,884	136,378	3.5	-	
	E-ONE Moli Energy Corporation	The same chairman	Financial assets carried at cost - non-current	15,859	119,345	6.3	-	
	Pan Asia Corporation	The Corporation serves as director	Financial assets carried at cost - non-current	1	14	-	-	
Ta-Ho Maritime Corporation	Shares							
	Chia Hsin Cement Corporation	Its vice chairman is a 2nd degree relative of the Corporation's chairman	Available-for-sale financial assets - current	25,761	245,247	-	245,247	
	Prosperity Dielectrics Co., Ltd.	-	Available-for-sale financial assets - non-current	1,024	10,493	-	10,493	
	Chinatrust Investment Co., Ltd.	The same chairman	Financial assets carried at cost - non-current	6,612	76,034	2.1	-	
Taiwan Cement Engineering Corporation	Beneficiary certificates							
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss	2,930	46,685	-	46,685	
TCC Chemical Corporation	Shares							
	Taiwan Stock Exchange Corporation	The Corporation serves as director	Financial assets carried at cost - non-current	2,499	44,820	-	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
TCC Information Systems Corporation	Beneficiary certificates							
	Yuanta De- Bao Money Market Fund	-	Financial assets at fair value through profit or loss	2,575	$ 30,567	-	$ 30,567	
	Fuh Hwa You Li Money Market	-	Financial assets at fair value through profit or loss	2,288	30,487	-	30,487	
	Shares							
	China Synthetic Rubber Corporation	The same chairman	Available-for-sale financial assets - non-current	1,303	30,109	-	30,109	
Taiwan Prosperity Chemical Corporation	Shares							
	Taishin Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	65,806	750,190	-	750,190	
Hoping Industrial Port Corporation	Shares							
	Chinatrust Investment Co., Ltd.	The same chairman	Financial assets carried at cost - non-current	10,444	120,103	3.3	-	
	E-ONE Moli Energy Corporation	The same chairman	Financial assets carried at cost - non-current	5,822	43,811	3.9	-	
E.G.C. Cement Corporation	Beneficiary certificates							
	Nomura Taiwan Money Market	-	Available-for-sale financial assets - current	80	1,289	-	1,289	
	UPAMC James Bond Money Market Fund	-	Available-for-sale financial assets - current	192	3,165	-	3,165	
	UPAMC Emerging Market Corporate Bond Fund-Accumulated	-	Available-for-sale financial assets - current	984	9,899	-	9,899	
	Shares							
	Der Pao Construction Co., Ltd.	-	Financial assets carried at cost - non-current	9	-	-	-	
Union Cement Traders Inc.	Shares							
	Taishin Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	23,126	263,637	-	263,637	
	CTCI Corporation	-	Available-for-sale financial assets - current	6,365	228,197	-	228,197	
	Chia Hsin Cement Corporation	The vice chairman is a 2nd degree relative of the Corporation's chairman	Available-for-sale financial assets - current	7,441	70,838	-	70,838	
	China Synthetic Rubber Corporation	The same chairman	Available-for-sale financial assets - non-current	5,742	132,649	-	132,649	
	E-ONE Moli Energy Corporation	The same chairman	Financial assets carried at cost - non-current	15,283	115,011	6.1	-	
	Videoland Inc.	-	Financial assets carried at cost - non-current	6,437	89,990	5.6	-	
TCCI (Group)	Beneficiary certificates							
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	3,130	39,374	-	39,374	
	Shares							
	Anhui Conch Cement Co., Ltd.	-	Available-for-sale financial assets - current	116,568	10,292,925	-	10,292,925	
	Yargoon Co., Ltd.	-	Financial assets carried at cost - non-current	-	13,080	24.2	-	

Note 1: Marketable securities in the table refer to shares, bonds, beneficiary certificates and other related securities within the scope of IAS 39 "Financial Instruments: Recognition and Measurement".

Note 2: See Tables 7 and 8 for the information of investments in subsidiaries, associates and joint ventures.

(Concluded)

TABLE 4

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(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/Loss on Disposal		Shares/Units (In Thousands)	Amount
TCCI (Group)	Shares														
	TCC Huaihua Cement Company Limited and Subsidiaries	Investments accounted for using the equity method	Individual	-	-	$ 713,623 (Note 2)	-	$ 5,087,428	-	$ -	$ -	$ -	$ (904,570)	-	$ 4,896,481
	TCC Huaying Cement Company Limited	Investments accounted for using the equity method	Sichuan Railway Group Co., Ltd.	-	-	1,406,757 (Note 2)	-	1,859,870	-	-	-	-	(904,419)	-	2,362,208

Note 1: Other adjustments included repayment of loans from previous shareholders, capital increases, the share of profit or loss and exchange difference on translating foreign operations under the equity method.

Note 2: The beginning balance amounts were prepayments for investments.

TABLE 5

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 YEAR ENDED DECEMBER 31, 2015
(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)	
Taiwan Cement Corporation	Chia Hsin Cement Corporation	The vice chairman is a 2nd degree relative of the Corporation's chairman	Sales	$ (490,137)	(2)	65 days after the day delivery was made	$ -	-	$ 94,028	20	
	HKCCL	Subsidiary	Sales	(298,006)	(1)	65 days after shipping	-	-	-	-	
	E.G.C. Cement Corporation	Subsidiary	Sales	(415,995)	(2)	50 days after the day delivery was made	-	-	91,674	19	
	Feng Shang Enterprise Company	Subsidiary	Sales	(336,912)	(2)	30 days	-	-	85,826	18	
			Purchases	593,746	5	30 days	-	-	(44,106)	(9)	
	TCCIH	Subsidiary	Service revenue	(353,373)	(3)	By contract	-	-	39,805	8	
	Taiwan Transport & Storage Corporation	Subsidiary	Purchases	1,985,200	17	30 days	-	-	(142,939)	(29)	
	Ta-Ho Maritime Corporation	Subsidiary	Purchases	1,073,880	9	30 days	-	-	(127,059)	(25)	
	China Hi-Ment Corporation	The Corporation serves as director	Purchases	703,366	6	60 days	-	-	(119,855)	(24)	
	Kuan-Ho Refractories Industry Corporation	Subsidiary	Purchases	218,177	2	By contract	-	-	(55,445)	(11)	
	Hoping Industrial Port Corporation	Subsidiary	Purchases	380,684	3	20 days	-	-	(2,154)	-	
	Shih Hsin Storage & Transportation Co., Ltd.	Associates	Sales	(184,672)	(2)	60 days	-	-	68,954	14	
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	Sales	(1,073,880)	(50)	30 days	-	-	127,059	100	
	Ho-Ping Power Company	The same parent company	Sales	(117,594)	(5)	By negotiation	-	-	-	-	
	THC International S.A	Subsidiary	Rental expense	212,808	11	By negotiation	-	-	(36,477)	(52)	
	Sheng Ho Maritime S.A.	Subsidiary	Rental expense	102,994	5	By negotiation	-	-	(17,833)	(25)	
Ho-Ping Power Company	Hoping Industrial Port Corporation	The same parent company	Purchases	1,072,883	21	20 days	-	-	(53,370)	(40)	
	HPC Power Service Corporation	The same parent company	Purchases	393,430	8	By contract	-	-	(64,105)	(48)	
	Ta-Ho Maritime Corporation	The same parent company	Purchases	117,594	2	By negotiation	-	-	-	-	
Hoping Industrial Port Corporation	Ho-Ping Power Company	The same parent company	Sales	(1,072,883)	(71)	20 days	-	-	53,370	92	
	Taiwan Cement Corporation	Parent company	Sales	(380,684)	(25)	20 days	-	-	2,154	4	
	Taiwan Transport & Storage Corporation	The same parent company	Purchases	173,813	69	30 days	-	-	(16,150)	(71)	
E.G.C. Cement Corporation	Taiwan Cement Corporation	Parent company	Purchases	415,995	100	50 days after the day delivery was made	-	-	(91,674)	(100)	
Feng Shang Enterprise Company	Taiwan Cement Corporation	Parent company	Sales	(593,746)	(24)	30 days	-	-	44,106	100	
		Parent company	Purchases	336,912	17	30 days	-	-	(85,826)	(100)	
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	Sales	(1,985,200)	(76)	30 days	-	-	142,939	70	
	Taiwan Prosperity Chemical Corporation	The same parent company	Sales	(208,168)	(8)	By contract	-	-	26,570	13	
	Hoping Industrial Port Corporation	The same parent company	Sales	(173,813)	(7)	30 days	-	-	16,150	8	
	China Synthetic Rubber Corporation	The same chairman	Sales	(102,422)	(4)	30 days	-	-	10,100	5	
HPC Power Service Corporation	Ho-Ping Power Company	The same parent company	Sales	(393,430)	100	By contract	-	-	64,105	100	
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	Sales	(218,177)	15	By contract	-	-	55,445	100	

(Continued)

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)	
HKCCL	Taiwan Cement Corporation	Parent company	Purchases	$ 298,006	22	65 days after shipping	$ -	-	$ -	-	
	Quon Hing Concrete. Ltd.	Associates	Sales	(369,166)	(20)	By negotiation	-	-	51,199	16	
	Top Form Construction Ltd.	Investors with significant influence over the Group	Sales	(214,315)	(12)	By negotiation	-	-	16,076	5	
TCC Yingde Cement Co., Ltd.	Dongguan Jinli Cement Company Limited	Substantive related party	Sales	(745,578)	(11)	By negotiation	-	-	643,136	99	
	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	267,472	6	By negotiation	-	-	(24,478)	(82)	
TCC (Guigang) Cement Limited	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	333,469	5	By negotiation	-	-	(44,827)	(12)	
	Da Tong (Guigang) International Logistics Co., Ltd.	The same ultimate parent company	Purchases	274,163	4	By negotiation	-	-	(40,829)	(44)	
Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Guigang) Cement Limited	The same ultimate parent company	Freight revenue	(274,163)	(48)	By negotiation	-	-	40,829	100	
Guigang Da-Ho Shipping Co., Ltd.	TCC (Guigang) Cement Limited	The same ultimate parent company	Freight revenue	(333,469)	(23)	By negotiation	-	-	44,827	56	
	TCC Yingde Cement Co., Ltd.	The same ultimate parent company	Freight revenue	(267,472)	(18)	By negotiation	-	-	24,478	30	
	TCC Fuzhou Cement Co., Ltd.	The same ultimate parent company	Freight revenue	(137,225)	(9)	By negotiation	-	-	11,104	14	
THC International S.A.	Ta-Ho Maritime Corporation	Parent company	Rental revenue	(212,808)	(100)	By negotiation	-	-	36,477	100	
Sheng Ho Maritime S.A.	Ta-Ho Maritime Corporation	Parent company	Rental revenue	(102,994)	(100)	By negotiation	-	-	17,833	100	
TCCIH	Taiwan Cement Corporation	Parent company	Service expense	353,373	-	By contract	-	-	(39,805)	(1)	
Taiwan Prosperity Chemical Corporation	Taiwan Transport & Storage Corporation	The same parent company	Purchases	208,168	1	By contract	-	-	-	-	
	China Synthetic Rubber Corporation	The same chairman	Purchases	177,975	2	Payment on the 15th of next month	-	-	(9,813)	(100)	
TCC Fuzhou Cement Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	137,225	9	By negotiation	-	-	(11,104)	(7)	

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

(Concluded)

TABLE 6

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE SHARE CAPITAL
DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	$ 127,059	10.2	$ -	-	$ 123,884	$ -
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	142,939	13.4	-	-	142,939	-
TCC Yingde Cement Co., Ltd.	Dongguan Jinli Cement Company Limited	Substantive related party	643,136	2.3	93,937	Collecting	10,791	-

TABLE 7

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2015			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2015	December 31, 2014	Shares/Units (In Thousands)	%	Carrying Amount			
Taiwan Cement Corporation	TCCI	British Virgin Islands	Investment holding	$ 18,344,635	$ 18,344,635	600,876	100.00	$ 53,033,971	$ (207,353)	$ (207,353)	
	Ho-Ping Power Company	Taiwan	Thermal power generation	6,037,720	6,037,720	602,973	59.50	19,423,631	6,147,579	3,657,810	
	Hoping Industrial Port Corporation	Taiwan	Hoping Industrial Port management	3,198,500	3,198,500	319,990	100.00	5,269,403	720,144	720,121	
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	528,506	528,506	118,649	64.79	2,188,250	288,339	186,807	
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	1,284,143	1,284,143	145,988	50.00	1,870,037	(1,862,972)	(931,489)	
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation, and sale of sand and gravel	90,862	90,862	32,668	83.85	1,700,091	134,526	112,794	
	TCC Investment Corporation	Taiwan	Investment	190,000	190,000	54,150	100.00	1,285,816	48,262	48,262	
	Ho Sheng Mining Co., Ltd.	Taiwan	Mining and trading	1,414,358	1,414,358	30,100	100.00	1,271,783	(42,773)	(42,773)	
	CCC USA Corporation	U.S.A.	Rubber raw materials	481,983	481,983	39	33.33	693,430	125,071	41,690	
	Taiwan Cement Engineering Corporation	Taiwan	Engineering services	319,439	319,439	59,593	99.05	663,566	5,885	7,231	
	Kuan-Ho Construction & Development Corporation	Taiwan	Construction and lease services	248,963	248,963	35,959	92.87	475,510	55,950	51,961	
	ONYX Ta-Ho Environmental Services Co., Ltd.	Taiwan	Waste collection and treatment	72,000	72,000	8,000	50.00	430,104	532,411	266,205	
	Kuan-Ho Refractories Industry Corporation	Taiwan	Production and sale of refractory materials	181,050	181,050	18,105	95.29	357,500	60,005	57,178	
	Feng Sheng Enterprise Company	Taiwan	Sale of ready-mixed concrete	250,000	250,000	27,261	45.43	340,397	15,603	7,089	
	TCC Chemical Corporation	Taiwan	Processing and sale of chemical material	334,350	334,350	113,975	100.00	294,828	49,093	62,951	
	Ta-Ho Onyx Taitung Environment Co., Ltd.	Taiwan	Waste collection and treatment	313,187	313,187	37,100	100.00	293,410	108,515	108,515	
	TCC Information Systems Corporation	Taiwan	Information software design	71,000	71,000	14,904	99.36	278,581	69,714	66,948	
	Ta-Ho Onyx RSEA Environment Co., Ltd.	Taiwan	Waste collection and treatment	666,000	666,000	66,600	66.60	234,504	(27,445)	(18,278)	
	HKCMCL	Hong Kong	Investment holding	72,005	72,005	38	84.65	206,356	47,433	40,154	
	Tunwoo Company Limited	Taiwan	Warehousing and sale of cement	59,880	59,880	75,499	100.00	114,798	14,571	14,571	
	Jin Chang Minerals Corporation	Taiwan	Afforestation and sale of limestone	20,282	20,282	2,000	100.00	111,015	(11,214)	(11,214)	
	HPC Power Service Corporation	Taiwan	Business consulting	1,861	1,861	6	60.00	96,692	177,586	106,552	
	E.G.C. Cement Corporation	Taiwan	Sale of cement	184,359	184,359	8,063	50.64	94,750	(8,113)	(4,109)	
	Synpac Ltd.	British Virgin Islands	Investment	70,367	70,367	2,700	25.00	10,116	(465)	(116)	
	Tung Chen Mineral Corporation	Taiwan	Afforestation and sale of limestone	1,989	1,989	20	99.45	1,476	(40)	(39)	
	TMC	Philippines	Mining excavation	11,880	11,880	120	72.70	-	-	-	
	TPMC	Philippines	Mining excavation	2,105	2,105	20	40.00	-	-	-	
Taiwan Transport & Storage Corporation	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	247,229	247,229	50,311	27.47	927,888	288,339	79,214	
	E.G.C. Cement Corporation	Taiwan	Sale of cement	126,518	126,518	7,061	44.36	112,365	(8,113)	(3,600)	
	Chia Huan Tung Cement Corporation	Taiwan	Manufacturing and sale of cement-related products	138,830	138,830	13,883	12.74	88,135	(86,430)	(10,653)	
	Ho Swen Construction Material Co., Ltd.	Taiwan	Sand and gravel filtering and sale	10,200	10,200	1,020	51.00	-	-	-	
TCC Investment Corporation	Union Cement Traders Inc.	Taiwan	Import and export trading	219,450	219,450	21,945	100.00	371,387	6,358	6,358	
	Ho-Ping Power Company	Taiwan	Thermal power generation	68,911	68,911	5,067	0.50	159,758	6,147,579	30,739	
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	24,000	24,000	1,500	0.51	19,214	(1,862,972)	(9,571)	
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	343	343	34	0.02	633	288,339	52	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2015	Original Investment Amount December 31, 2014	As of December 31, 2015 Shares/Units (In Thousands)	As of December 31, 2015 %	As of December 31, 2015 Carrying Amount	Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Samoa	Investment	$ 325,995	$ 325,995	10,300	100.00	$ 4,111,290	$ 171,823	$ 171,823	
	Shih Hsin Storage & Transportation Co., Ltd.	Taiwan	Warehousing, transportation, and sale of cement	49,689	49,689	4,449	3.34	31,657	(179,781)	(6,004)	
	Chia Huan Tung Cement Corporation	Taiwan	Manufacturing and sale of cement-related products	12,608	12,608	1,261	1.16	8,023	(86,430)	(971)	
Taiwan Cement Engineering Corporation	TCEC Corporation	Brunei Darussalam	Investment	16,295	16,295	-	100.00	78,019	207	207	
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Samoa	Investment	3,042	3,042	2,128	100.00	42,571	4,969	4,969	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	104,929	104,929	6,675	2.29	85,504	(1,862,972)	(42,582)	
E.G.C. Cement Corporation	Shih Hsin Storage & Transportation Co., Ltd.	Taiwan	Warehousing, transportation, and sale of cement	176,786	176,786	15,831	11.87	112,517	(179,781)	(21,340)	
Feng Sheng Enterprise Company	Ho Swen Construction Material Co., Ltd.	Taiwan	Sand and gravel filtering and sale	1,800	1,800	180	9.00	-	-	-	
Union Cement Traders Inc.	Shih Hsin Storage & Transportation Co., Ltd.	Taiwan	Warehousing, transportation, and sale of cement	54,901	54,901	4,917	3.69	34,946	(179,781)	(6,629)	
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation, and sale of sand and gravel	2,612	2,612	261	0.67	13,598	134,526	901	
	Chia Huan Tung Cement Corporation	Taiwan	Manufacturing and sale of cement-related products	4,050	4,050	405	0.37	2,571	(86,430)	(311)	
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Panama	Marine transportation	65,978	65,978	2	100.00	2,688,400	21,487	21,487	
	Sheng Ho Maritime S.A.	Panama	Marine transportation	65,978	65,978	2	100.00	486,663	10,442	10,442	
	Ta-Ho Maritime (Hong Kong) Limited.	Hong Kong	Marine transportation	167,408	167,408	5,100	100.00	454,626	128,670	128,670	
	Chi Ho Maritime S.A.	Panama	Marine transportation	213,691	213,691	7	100.00	390,585	10,061	10,061	
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Singapore	Marine transportation	3,283	3,283	100	100.00	78,649	1,206	1,206	
TCC International Ltd. (Group)	Quon Hing Concrete Co., Ltd.	Hong Kong	Investment holding	188,419	188,419	100	50.00	367,114	306,240	153,120	
	Chia Huan Tung Cement Corporation	Taiwan	Manufacturing and sale of cement-related products	212,220	212,220	21,222	19.48	134,728	(86,430)	(16,283)	
	Hong Kong Concrete Co., Ltd.	Hong Kong	Cement processing services	28,891	28,891	129	31.50	162,077	352,105	110,913	

(Concluded)

TABLE 8

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2015
(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, 2015 (Note 2)	Investment Flow (Note 2) Outflow	Investment Flow (Note 2) Inflow	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2015 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
Anhui King Bridge Cement Co., Ltd.	Manufacturing and sale of cement	$ 492,375	(a)	$ 167,408	$ -	$ -	$ 167,408	$ (50,112)	34.00	$ (17,038)	$ 178,755	$ -	
TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	533,406	(a)	301,375	-	-	301,375	(27,571)	56.92	(15,696)	649,102	-	
TCC Fuzhou Yangyu Port Co., Ltd.	Port for cement transportation	164,125	(a)	92,731	-	-	92,731	22,190	56.92	12,599	174,873	-	
TCC Liuzhou Construction Materials Co., Ltd.	Sale of building material	443,138	(a)	106,353	-	-	106,353	15,977	24.00	3,835	216,941	-	
TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	7,201,805	(a)	4,069,020	-	-	4,069,020	288,039	56.92	162,962	9,557,063	-	
Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	7,319,975	(a)	4,135,786	-	-	4,135,786	(364,591)	56.92	(207,290)	6,756,704	-	
TCC (Guigang) Cement Limited	Manufacturing and sale of cement	7,151,776	(a)	4,040,754	-	-	4,040,754	378,004	56.92	213,204	7,517,078	-	
Jiangsu TCC Investment Co., Ltd.	Investment	1,641,250	(a)	927,306	-	-	927,306	(81,772)	56.92	(46,492)	1,515,237	-	
Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	2,138,409	(a)	3,565,882	-	-	3,565,882	390,235	56.92	221,386	5,910,046	-	
TCC Liaoning Cement Co., Ltd.	Manufacturing and sale of cement	1,853,145	(a)	1,463,388	-	-	1,463,388	(235,672)	56.92	(133,664)	1,387,089	-	
TCC Anshun Cement Co., Ltd.	Manufacturing and sale of cement	3,331,409	(a)	1,963,788	-	-	1,963,788	(241,641)	56.92	(136,973)	2,461,950	-	
TCC Chongqing Cement Co., Ltd.	Manufacturing and sale of cement	3,282,500	(a)	2,209,823	-	-	2,209,823	(107,814)	56.92	(61,348)	2,648,879	-	
TCC Guangan Cement Co., Ltd.	Manufacturing and sale of cement	1,870,697	(a)	1,178,266	-	-	1,178,266	(21,167)	56.92	(12,037)	1,302,388	-	
TCC (Dong Guan) Cement Co., Ltd.	Warehousing and cement technical consulting	656,500	(a)	370,923	-	-	370,923	(2,422)	56.92	(1,361)	360,680	-	
Guizhou Kong On Cement Co., Ltd.	Manufacturing and sale of cement	666,348	(a)	300,355	-	-	300,355	(139,631)	37.00	(51,663)	237,953	-	
TCC New (Hangzhou) Management Co., Ltd.	Operation management	262,600	(a)	148,369	-	-	148,369	37,178	56.92	21,056	53,221	-	
Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	1,946,354	(a)	1,174,295	-	-	1,174,295	(143,136)	56.92	(81,371)	1,430,975	-	
TCC Shaoguan Cement Co., Ltd.	Manufacturing and sale of cement	328,250	(a)	185,461	-	-	185,461	9,233	56.92	5,260	181,655	-	
TCC Huaying Cement Company Limited	Manufacturing and sale of cement	4,504,741	(a)	1,406,757	1,859,870	-	3,266,627	(251,951)	56.92	(142,595)	1,344,569	-	
TCC Huaihua Cement Company Limited (Note 4)	Manufacturing and sale of cement	464,535	(a)	713,623	5,087,428	-	5,801,051	(139,241)	56.92	(79,061)	2,787,077	-	
TCC Jingzhou Cement Company Limited (Note 4)	Manufacturing and sale of cement	49,950	(a)	-	-	-	-	(47,972)	56.92	(27,212)	681,483	-	

(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, 2015 (Note 2)	Investment Flows (Note 2) Outflow	Investment Flows (Note 2) Inflow	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015 (Note 2)	Net Income (Losses) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2015 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
TCC Huaihua Concrete Company Limited (Note 4)	Manufacturing and sale of cement	$ 49,950	(a)	$ -	$ -	$ -	$ -	$ 12,990	56.92	$ 7,395	$ 58,786	$ -	
TCC Jiangsu Mining Industrial Company Limited	Mining of limestone	131,300	(a)	410,539	-	-	410,539	6,347	56.92	3,607	190,342	-	
TCC Yingde Mining Industrial Company Limited	Mining of limestone	377,488	(a)	296,990	-	-	296,990	8,264	56.92	4,691	263,121	-	
TCC Guigang Mining Industrial Company Limited	Mining of limestone	164,125	(a)	141,759	-	-	141,759	36,300	56.92	20,592	182,311	-	
Scitus Naxi Cement Co., Ltd. (Note 5)	Manufacturing and sale of cement	731,817	(a)	-	-	-	-	(169,703)	56.92	(96,359)	138,884	-	
Scitus Luzhou Cement Co., Ltd. (Note 5)	Manufacturing and sale of cement	1,973,025	(a)	-	-	-	-	18,773	56.92	10,624	1,104,156	-	
Scitus Hejiang Cement Co., Ltd. (Note 5)	Manufacturing and sale of cement	116,134	(a)	-	-	-	-	(21,170)	56.92	(11,984)	86,975	-	
Scitus Luzhou Concrete Co., Ltd. (Note 5)	Manufacturing and sale of cement	124,875	(a)	-	-	-	-	34,105	56.92	19,317	89,450	-	
Anshun Xin Tai Construction Materials Company Limited	Manufacturing and sale of concrete aggregate	74,925	(a)	100,920	-	-	100,920	(3,249)	56.92	(1,843)	39,402	-	
TCEC (Yingde) Machine Co., Ltd. (Note 6)	Production and sale of cement machinery and assembly work	16,295	(b)	16,295	-	-	16,295	207	100.00	207	78,019	-	
Fuzhou TCC Information Technology Co., Ltd. (Note 6)	Software product and equipment maintenance	3,283	(c)	3,283	-	-	3,283	4,611	100.00	4,611	35,641	-	
Da Tong (Guigang) International Logistics Co., Ltd. (Note 6)	Logistics and transportation	164,125	(d)	164,125	-	-	164,125	130,352	100.00	130,352	433,848	-	
Da Tong (Ying De) Logistics Co., Ltd. (Note 6)	Logistics and transportation	24,975	(d)	24,975	-	-	24,975	10,116	100.00	10,116	64,071	-	
Guigang Da-Ho Shipping Co., Ltd. (Note 6)	Marine transportation	19,980	(d)	19,980	-	-	19,980	106,936	100.00	106,936	169,555	-	
Prosperity Conch Cement Co., Ltd. (Note 6)	Manufacturing and sale of cement	2,897,100	(a)	2,417,705	-	-	2,417,705	948,705	25.00	237,176	3,489,126	-	
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd. (Note 6)	Manufacturing and sale of cement	4,120,875	(a)	1,576,238	-	-	1,576,238	81,354	30.00	23,600	1,639,841	-	
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. (Note 6)	Manufacturing and sale of cement	2,060,837	(a)	763,286	-	-	763,286	33,943	30.00	8,308	763,876	-	
Sichuan Taichang Building Material Group Company Limited (Note 6)	Manufacturing and sale of cement	999,000	(a)	381,560	-	-	381,560	(120,421)	30.00	(36,126)	-	-	
Guangan Xin Tai Construction Materials Company Limited (Note 6)	Manufacturing and sale of concrete aggregate	77,423	(a)	52,091	-	-	52,091	(10,837)	50.00	(5,418)	45,004	-	

Accumulated Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$39,715,857	$42,388,727	(Note 7)

(Continued)

Note 1: All investments in mainland China companies were through a company invested and established in a third region. The method of investments were as follows:

a. Investment through TCCI.
b. Investment through TECE Corporation (Brunei).
c. Investment through Taicem Information (Samoa) Pte., Ltd.
d. Investment through Ta-Ho Maritime (Hong Kong) Limited.

Note 2: Including outward remittance from offshore subsidiaries.

Note 3: Investment gain (loss) was based on the associates' audited financial statements except Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd. and Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. The Group considers that there would be no significant adjustments if such financial statements were to be audited.

Note 4: As of December 31, 2015, 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 December 31, 2015, 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., the other companies were disposed of in March 2013. The investment amounts authorized to be withdrawn are currently being processed by the Investment Commission, MOEA.

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

Note 7: The Corporation received a confirmation letter of Operation Headquarter from the Industrial Development Bureau of the MOEA in October 2013 stating that the Corporation is not limited by the restriction on the accumulated percentage or amount of investment in mainland China.

B. See Tables 1, 2, 4, 5, and 6 for the information about significant transactions with investees in the mainland China, either directly or indirectly through a third area.

(Concluded)