Attachment 7

Taiwan Cement Corporation

Financial Statements for the
Years Ended December 31, 2016 and 2015 and
Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taiwan Cement Corporation

Opinion

We have audited the accompanying financial statements of Taiwan Cement Corporation (the Corporation), which comprise the balance sheets as of December 31, 2016 and 2015, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2016. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter of the Corporation's financial statements for the year ended December 31, 2016 is as follows:

Impairment Loss of Equity-Method Investments

As disclosed in Notes 4, 5, 10, and Table 7 following the notes to the accompanying financial statements, the investments accounted for by using the equity method include those from the investments in subsidiaries to expand the cement business in China. The excess of the investment costs over the fair value of the identifiable net assets of a subsidiary is recognized as goodwill, and the assets for operations of the subsidiary are recorded in property, plant and equipment. These assets are material for the financial statements as a whole, and the Corporation is required to periodically evaluate the impairment loss for such assets under IAS 36 "Impairment of Assets".

For the impairment assessment process, management is required to calculate the expected recoverable amounts and determine a suitable discount rate. In this process, management's evaluation and judgment on the expected recoverable amounts is highly judgmental and is based on assumptions subject to changes in the market or economic conditions, which contain a significant level of uncertainty. Thus, the impairment of property, plant and equipment and goodwill included in investments accounted for by using the equity method is considered a key audit matter.

Our main audit procedures performed in respect of the above area included the following:

1. Understood the Corporation's asset impairment evaluation processes and implementation of related controls, including the assumption basis and information sources.

2. Understood and assessed whether the recent operating results and industry conditions were considered in the calculation and the achievability measure of expected recoverable amounts.

3. Evaluated the reasonableness of the discount rates that the Group used.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2016 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Ya-Ling Wong Chih-Ming Shao

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 27, 2017

<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, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

	2016		2015	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,278,657	1	$ 1,234,072	1
Available-for-sale financial assets (Notes 4 and 7)	1,342,777	1	1,182,447	1
Notes receivable (Notes 4 and 8)	848,116	1	1,170,834	1
Notes receivable from related parties (Notes 4 and 22)	153,730	-	106,973	-
Accounts receivable (Notes 4 and 8)	2,326,788	2	2,553,919	2
Accounts receivable from related parties (Notes 4 and 22)	374,558	-	365,540	-
Other receivables from related parties (Notes 4 and 22)	69,715	-	328,792	-
Inventories (Notes 4, 9 and 24)	1,489,695	1	1,617,092	1
Other current assets	122,728	-	137,992	-
Total current assets	8,006,764	6	8,697,661	6
NON-CURRENT ASSETS				
Available-for-sale financial assets (Notes 4 and 7)	3,449,980	3	3,371,466	3
Financial assets carried at cost (Note 4)	90,992	-	108,299	-
Investments accounted for using equity method (Notes 4, 5 and 10)	88,378,924	67	90,740,015	67
Property, plant and equipment (Notes 4, 11 and 23)	28,064,674	21	28,635,070	21
Investment properties (Notes 4 and 12)	3,353,159	2	3,353,412	3
Intangible assets (Note 4)	69,359	-	105,600	-
Net defined benefit asset (Notes 4 and 15)	817,828	1	442,783	-
Other non-current assets (Notes 4, 18 and 23)	227,878	-	230,244	-
Total non-current assets	124,452,794	94	126,986,889	94
TOTAL	$ 132,459,558	100	$ 135,684,550	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Note 13)	$ 5,839,557	4	$ 4,432,649	3
Short-term bills payable (Note 13)	299,858	-	599,426	-
Accounts payable	1,015,577	1	995,809	1
Accounts payable to related parties (Note 22)	709,064	1	500,791	-
Other payables (Note 14)	1,643,926	1	1,398,695	1
Other payables to related parties (Note 22)	41,047	-	68,629	-
Current income tax liabilities (Notes 4 and 18)	39,626	-	266,646	-
Long-term loans - current portion (Note 13)	3,360,000	3	3,360,000	3
Other current liabilities	88,022	-	96,411	-
Total current liabilities	13,036,677	10	11,719,056	8
NON-CURRENT LIABILITIES				
Long-term loans (Note 13)	7,268,893	5	10,621,053	8
Deferred income tax liabilities (Notes 4 and 18)	5,141,802	4	5,069,432	4
Other non-current liabilities (Note 10)	244,135	-	232,024	-
Total non-current liabilities	12,654,830	9	15,922,509	12
Total liabilities	25,691,507	19	27,641,565	20
EQUITY (Notes 4 and 16)				
Share capital	36,921,759	28	36,921,759	27
Capital surplus	13,534,162	10	12,309,615	9
Retained earnings	47,337,524	36	45,573,057	34
Others	8,974,606	7	13,238,554	10
Total equity	106,768,051	81	108,042,985	80
TOTAL	$ 132,459,558	100	$ 135,684,550	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, 2016 AND 2015
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 22)	$ 17,299,027	100	$ 20,667,929	100
LESS: SALES RETURNS AND ALLOWANCES	80,028	1	100,369	-
OPERATING REVENUE, NET	17,218,999	99	20,567,560	100
OPERATING COSTS (Notes 4, 9, 17 and 22)	15,080,237	87	18,345,276	89
GROSS PROFIT	2,138,762	12	2,222,284	11
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	1,228	-	1,228	-
REALIZED GROSS PROFIT	2,139,990	12	2,223,512	11
OPERATING EXPENSES (Notes 17 and 22)				
Marketing	178,878	1	205,210	1
General and administrative	685,337	4	545,047	3
Total operating expenses	864,215	5	750,257	4
INCOME FROM OPERATIONS	1,275,775	7	1,473,255	7
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates (Note 10)	5,266,258	31	4,341,468	21
Dividend income (Note 4)	357,916	2	388,058	2
Other income (Note 17)	153,258	1	153,140	1
Finance costs	(245,821)	(1)	(247,371)	(1)
Other expenses (Note 17)	(271,664)	(2)	(173,961)	(1)
Total non-operating income and expenses	5,259,947	31	4,461,334	22
INCOME BEFORE INCOME TAX	6,535,722	38	5,934,589	29
INCOME TAX EXPENSE (Notes 4 and 18)	177,270	1	158,600	1
NET INCOME	6,358,452	37	5,775,989	28

(Continued)

TAIWAN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 15)	$ 379,357	2	$ (631,163)	(3)
Share of other comprehensive income (loss) of subsidiaries and associates	1,743	-	(15,776)	-
Income tax benefit (expense) related to items that will not be reclassified subsequently to profit or loss (Note 18)	(64,491)	-	107,298	-
	316,609	2	(539,641)	(3)
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on available-for-sale financial assets	238,844	1	(1,027,693)	(5)
Share of other comprehensive loss of subsidiaries and associates	(4,502,792)	(26)	(5,015,109)	(24)
	(4,263,948)	(25)	(6,042,802)	(29)
Other comprehensive loss for the year, net of income tax	(3,947,339)	(23)	(6,582,443)	(32)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 2,411,113	14	$ (806,454)	(4)
EARNINGS PER SHARE (NT$, Note 19)				
Basic earnings per share	$1.72		$1.56	
Diluted earnings per share	$1.72		$1.56	

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, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

	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, 2015	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	-	-	-	-	-	(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
Appropriation of prior year's earnings											
Legal reserve	-	-	-	577,599	-	(577,599)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(4,910,594)	(4,910,594)	-	-	-	(4,910,594)
Net income in 2016	-	-	-	-	-	6,358,452	6,358,452	-	-	-	6,358,452
Other comprehensive income (loss) in 2016, net of income tax	-	-	-	-	-	316,609	316,609	(4,472,710)	206,349	2,413	(3,947,339)
Total comprehensive income (loss) in 2016	-	-	-	-	-	6,675,061	6,675,061	(4,472,710)	206,349	2,413	2,411,113
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions	-	-	1,224,547	-	-	-	-	-	-	-	1,224,547
Reversal of special reserve recognized from asset disposals	-	-	-	-	(11)	11	-	-	-	-	-
BALANCE, DECEMBER 31, 2016	3,692,176	$ 36,921,759	$ 13,534,162	$ 13,389,264	$ 13,050,484	$ 20,897,776	$ 47,337,524	$ (2,233,617)	$ 11,200,323	$ 7,900	$ 106,768,051

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

TAIWAN CEMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 6,535,722	$ 5,934,589
Adjustments for:		
Depreciation expense	676,733	890,867
Amortization expense	36,554	36,553
Finance costs	245,821	247,371
Interest income	(8,453)	(10,508)
Dividend income	(357,916)	(388,058)
Share of profit of subsidiaries and associates	(5,266,258)	(4,341,468)
Gain on disposal of property, plant and equipment, net	(29,540)	(1,681)
Impairment loss on financial assets	5,724	3,334
Unrealized loss (gain) on foreign exchange, net	3,840	(4,726)
Changes in operating assets and liabilities:		
Notes receivable	322,718	307,397
Notes receivable from related parties	(46,757)	(3,424)
Accounts receivable	227,338	95,814
Accounts receivable from related parties	(7,976)	4,281
Other receivables from related parties	4,077	(13,599)
Inventories	127,397	(121,740)
Other current assets	15,620	142,008
Net defined benefit asset	4,312	(7,839)
Accounts payable	19,912	(160,489)
Accounts payable to related parties	208,019	(11,654)
Other payables	244,891	(88,188)
Other payables to related parties	(27,582)	18,128
Other current liabilities	(8,389)	(42,876)
Cash generated from operations	2,925,807	2,484,092
Income tax paid	(395,336)	(124,263)
Net cash generated from operating activities	2,530,471	2,359,829
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	11,584	9,461
Acquisition of investments accounted for using equity method	(15,000)	-
Payments for property, plant and equipment	(79,854)	(21,930)
Proceeds from disposal of property, plant and equipment	29,613	1,827
Payments for intangible assets	(313)	-
Decrease (increase) in other receivables from related parties	255,000	(50,000)
Increase in other non-current assets	(25,012)	(17,133)
Interest received	8,068	10,499
Dividends received	4,721,548	4,790,607
Net cash generated from investing activities	4,905,633	4,723,330

(Continued)

TAIWAN CEMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

	2016	2015
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	$ 1,401,977	$ 2,240,277
Increase (decrease) in short-term bills payable	(299,568)	599,426
Repayment of long-term loans	(3,360,000)	-
Increase (decrease) in other non-current liabilities	14,326	(1,733)
Dividends paid	(4,910,594)	(9,193,518)
Interest paid	(237,660)	(238,944)
Net cash used in financing activities	(7,391,519)	(6,594,492)
NET INCREASE IN CASH AND CASH EQUIVALENTS	44,585	488,667
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,234,072	745,405
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,278,657	$ 1,234,072

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, 2016 AND 2015
(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 27, 2017.

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

a. Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the Financial Supervisory Commission (FSC) for application starting from 2017

Rule No. 1050050021 and Rule No. 1050026834 issued by the FSC stipulated that, starting from January 1, 2017, the Corporation should apply the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") issued by the IASB and endorsed by the FSC for application starting from 2017.

New, Amended or Revised Standards and Interpretations (the "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)
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
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
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

(Continued)

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note 1)
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

(Concluded)

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

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant 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 in 2017 of the above New IFRSs and related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers would not have any material impact on the Corporation's accounting policies, except for the following:

Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers

The amendments include additions of several accounting items and requirements for disclosures of impairment of non-financial assets as a consequence of the IFRSs endorsed by the FSC for application starting from 2017. In addition, as a result of the post implementation review of IFRSs in Taiwan, the amendments also include an emphasis on certain recognition and measurement considerations and add requirements for disclosures of related-party transactions and goodwill.

The amendments stipulate that other companies or institutions of which the chairman of the board of directors or president serves as the chairman of the board of directors or the president of the Corporation or is the spouse or second immediate family of the chairman of the board of directors or president of the Corporation are deemed to have a substantive related-party relationship, unless it can be demonstrated that no control, joint control, or significant influence exists. Furthermore, the amendments require the disclosure of the names of the related parties and the relationships with whom the Corporation has significant transactions. If the transactions or balance with a specific related party is 10% or more of the Corporation's respective total transactions or balance, such transactions should be separately disclosed by the name of each related party.

The amendments also require additional disclosure if there is a significant difference between the actual operations after a business combination and the expected benefits on the acquisition date.

The disclosures of related-party transactions and impairment of goodwill will be enhanced when the above amendments are retrospectively applied in 2017.

Except for the above impacts, as of the date the financial statements were authorized for issue, the Corporation continues assessing other possible impacts that the application of the aforementioned amendments and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers will have on the Corporation's financial position and financial performance and will disclose these other impacts when the assessment is completed.

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.

The FSC announced that IFRS 9 and IFRS 15 will take effect starting from January 1, 2018. As of the date the financial statements were authorized for issue, the FSC has not announced the effective dates of other New IFRSs.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note 2
Amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"	January 1, 2018
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
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendments to IFRS 15 "Clarifications to IFRS 15 Revenue from Contracts with Customers"	January 1, 2018
IFRS 16 "Leases"	January 1, 2019
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 40 "Transfers of Investment Property"	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

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 12 is retrospectively applied for annual periods beginning on or after January 1, 2017; the amendment to IAS 28 is retrospectively applied for annual periods beginning on or after January 1, 2018.

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. 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.

Transition

Financial instruments that have been derecognized prior to the effective date of IFRS 9 cannot be reversed to apply IFRS 9 when it becomes effective. Under IFRS 9, the requirements for classification, measurement and impairment of financial assets are applied retrospectively with the difference between the previous carrying amount and the carrying amount at the date of initial application recognized in the current period, and the restatement of prior periods is not required. The requirements for general hedge accounting shall be applied prospectively, and the accounting for hedging options shall be applied retrospectively.

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 consolidated 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 income 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 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 only in the Corporation's parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only 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 time deposits and 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 the Corporation 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 risks from foreign-currency denominated assets and liabilities, including foreign exchange forward contracts.

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

Equity-Method Investments

The Corporation immediately recognizes impairment loss on its net investments in associates when there is any indication that an investment may be impaired and the carrying amount may not be recoverable. The Corporation's management evaluates such impairment based on the estimated future cash flow expected to be generated by the investments accounted for by using the equity method. The Corporation also takes into consideration the market conditions and industry developments to evaluate the appropriateness of the relevant assumptions.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2016	2015
Cash on hand	$ 976	$ 1,026
Checking accounts and demand deposits	858,844	732,496
Cash equivalents		
Bonds with repurchase agreements	418,837	500,550
	$ 1,278,657	$ 1,234,072

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	
	2016	2015
Cash in bank	0.01%-0.13%	0.01%-0.15%
Bonds with repurchase agreements	0.30%-1.05%	0.37%-0.42%

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2016	2015
Domestic investments		
Listed shares	$ 4,440,133	$ 4,177,621
Emerging market shares	352,624	376,292
	$ 4,792,757	$ 4,553,913
Current	$ 1,342,777	$ 1,182,447
Non-current	3,449,980	3,371,466
	$ 4,792,757	$ 4,553,913

8. NOTES AND ACCOUNTS RECEIVABLE

	December 31	
	2016	2015
Notes receivable	$ 860,117	$ 1,181,939
Accounts receivable	2,357,481	2,576,458
Less: Allowance for impairment loss	(42,694)	(33,644)
	$ 3,174,904	$ 3,724,753

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 Corporation 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 2016	December 31 2015
Up to 90 days	$ 3,091,254	$ 3,681,984
91-180 days	57,051	36,588
181-365 days	10,758	3,712
Over 365 days	15,841	2,469
	$ 3,174,904	$ 3,724,753

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, 2015	$ 5,146	$ 28,870	$ 34,016
(Reversals of) provisions	(4,979)	4,607	(372)
Balance at December 31, 2015	167	33,477	33,644
(Reversals of) provisions	10,481	(1,431)	9,050
Balance at December 31, 2016	$ 10,648	$ 32,046	$ 42,694

9. INVENTORIES

	December 31 2016	December 31 2015
Finished goods	$ 462,503	$ 375,564
Work in process	498,085	558,371
Raw materials	268,120	404,392
Supplies	260,987	278,765
	$ 1,489,695	$ 1,617,092

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2016 and 2015 was $14,999,306 thousand and $18,277,026 thousand, respectively.

10. INVESTMENTS ACCOUNTED FOR BY USING EQUITY METHOD

	December 31 2016	December 31 2015
Investments in subsidiaries	$ 87,204,607	$ 89,606,365
Investments in associates	1,174,317	1,133,650
	$ 88,378,924	$ 90,740,015

a. Investments in subsidiaries

	December 31	
	2016	2015
Listed company		
Taiwan Prosperity Chemical Corporation	$ 1,703,079	$ 1,870,037
Unlisted companies		
TCC International Ltd.	50,405,311	53,033,971
Ho-Ping Power Company	19,824,884	19,423,631
Hoping Industrial Port Corporation	5,458,638	5,269,403
Ta-Ho Maritime Corporation	2,073,147	2,188,250
Taiwan Transport & Storage Corporation	1,676,242	1,700,091
Ho Sheng Mining Co., Ltd.	1,224,272	1,271,783
TCC Investment Corporation	1,138,271	1,285,816
Taiwan Cement Engineering Corporation	706,761	663,566
Kuan-Ho Construction & Development Corporation	473,638	475,510
Kuan-Ho Refractories Industry Corporation	360,862	357,500
TCC Chemical Corporation	351,508	294,828
Feng Sheng Enterprise Company	347,821	340,397
Ta-Ho Onyx Taitung Environment Co., Ltd.	295,109	293,410
Hong Kong Cement Manufacturing Co., Ltd. (“HKCMCL”)	252,503	206,356
TCC Information Systems Corporation	249,975	278,581
Ta-Ho Onyx RSEA Environment Co., Ltd.	218,514	234,504
Tunwoo Company Limited	128,235	114,798
Jin Chang Minerals Corporation	119,043	111,015
HPC Power Service Corporation	99,711	96,692
E.G.C. Cement Corporation	95,648	94,750
Tung Chen Mineral Corporation	1,435	1,476
Taicorn Minerals Corp. (“TMC”)	-	-
Trans Philippines Mineral Corp. (“TPMC”)	-	-
	$ 87,204,607	$ 89,606,365

	Proportion of Ownership and Voting Rights	
	December 31	
	2016	2015
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%
Ho Sheng Mining Co., Ltd.	100.0%	100.0%
TCC Investment Corporation	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%
TCC Chemical Corporation	100.0%	100.0%

(Continued)

	Proportion of Ownership and Voting Rights December 31 2016	2015
Feng Sheng Enterprise Company	45.4%	45.4%
Ta-Ho Onyx Taitung Environment Co., Ltd.	100.0%	100.0%
HKCMCL	84.7%	84.7%
TCC Information Systems Corporation	99.4%	99.4%
Ta-Ho Onyx RSEA Environment Co., Ltd.	66.6%	66.6%
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 $24,262 thousand and $26,477 thousand as of December 31, 2016 and 2015, 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 2016	2015
Associates that are not individually material		
CCC USA Corporation	$ 720,290	$ 693,430
ONYX Ta-Ho Environmental Services Co., Ltd.	444,093	430,104
Synpac Ltd.	9,934	10,116
	$ 1,174,317	$ 1,133,650

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

	Proportion of Ownership and Voting Rights December 31 2016	2015
CCC USA Corporation	33.30%	33.30%
ONYX Ta-Ho Environmental Services Co., Ltd.	50.00%	50.00%
Synpac Ltd.	25.00%	25.00%

	For the Year Ended December 31	
	2016	2015
The Corporation's share of:		
Net profit for the year	$ 327,988	$ 307,779
Other comprehensive income (loss)	(18,521)	23,246
Total comprehensive income for the year	$ 309,467	$ 331,025

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, 2016 and 2015 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, 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
Cost					
Balance at January 1, 2016	$ 18,112,625	$ 16,135,447	$ 24,017,859	$ 3,991,488	$ 62,257,419
Additions	4,930	1,162	65,786	7,976	79,854
Disposals	-	-	(345,122)	(42,471)	(387,593)
Reclassification	-	-	15,815	10,488	26,303
Balance at December 31, 2016	$ 18,117,555	$ 16,136,609	$ 23,754,338	$ 3,967,481	$ 61,975,983
Accumulated depreciation and impairment					
Balance at January 1, 2016	$ 274,188	$ 6,988,961	$ 22,633,234	$ 3,725,966	$ 33,622,349
Depreciation expenses	-	333,589	292,583	50,308	676,480
Disposals	-	-	(345,084)	(42,436)	(387,520)
Balance at December 31, 2016	$ 274,188	$ 7,322,550	$ 22,580,733	$ 3,733,838	$ 33,911,309
Carrying amounts at December 31, 2016	$ 17,843,367	$ 8,814,059	$ 1,173,605	$ 233,643	$ 28,064,674

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 2016	December 31 2015
Land	$ 3,342,795	$ 3,342,795
Buildings	10,364	10,617
	$ 3,353,159	$ 3,353,412

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 2016	December 31 2015
$ 6,308,346	$ 6,338,049

13. BORROWINGS

a. Short-term loans

	December 31 2016	December 31 2015
Unsecured borrowings		
Bank loans - unsecured	$ 5,600,000	$ 4,300,000
Bank loans - letters of credit	239,557	132,649
	$ 5,839,557	$ 4,432,649
Interest rate	0.82%-2.11%	0.74%-1.27%

b. Short-term bills payable

	December 31 2016	December 31 2015
Commercial paper	$ 300,000	$ 600,000
Less: Unamortized discount on bills payable	142	574
	$ 299,858	$ 599,426
Interest rate	0.91%	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 and 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% as of both December 31, 2016 and 2015.

14. OTHER PAYABLES

	December 31	
	2016	2015
Salaries and bonuses payable	$ 566,696	$ 491,911
Payable for repairs	318,805	273,602
Payable for dividends	149,017	150,458
Payable for rentals	142,922	116,440
Taxes payable	161,580	118,552
Payables for electricity	101,164	108,079
Freight payables	65,139	39,464
Others	138,603	100,189
	$ 1,643,926	$ 1,398,695

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	
	2016	2015
Present value of defined benefit obligation	$ (819,907)	$ (960,273)
Fair value of plan assets	1,637,735	1,403,056
Net defined benefit asset	$ 817,828	$ 442,783

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, 2015	$ (1,057,686)	$ 2,123,793	$ 1,066,107
Service costs			
Current service costs	(11,575)	-	(11,575)
Net interest income (expense)	(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)
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
Service costs			
Current service costs	(10,444)	-	(10,444)
Net interest income (expense)	(12,977)	19,109	6,132
Recognized in profit or loss	(23,421)	19,109	(4,312)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	372,991	372,991
Actuarial loss - changes in demographic assumptions	(1,765)	-	(1,765)
Actuarial loss - changes in financial assumptions	(8,826)	-	(8,826)
Actuarial gain - experience adjustments	16,957	-	16,957
Recognized in other comprehensive income	6,366	372,991	379,357
Benefits paid	157,421	(157,421)	-
Balance at December 31, 2016	$ (819,907)	$ 1,637,735	$ 817,828

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	
	2016	**2015**
Discount rates	1.250%	1.375%
Expected rates of salary increase	2.250%	2.250%

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	
	2016	**2015**
Discount rates		
0.25% increase	$ (17,976)	$ (20,821)
0.25% decrease	$ 18,580	$ 21,565
Expected rates of salary increase		
0.25% increase	$ 17,869	$ 20,976
0.25% decrease	$ (17,377)	$ (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	
	2016	**2015**
The expected contributions to the plan for the next year	$ -	$ 6,386
The average duration of the defined benefit obligation	9 years	9.9 years

16. EQUITY

a. Ordinary shares

	December 31	
	2016	2015
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	
	2016	2015
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
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions	1,224,547	-
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	116,238
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	520
	$ 13,534,162	$ 12,309,615

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

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 shareholders held their general meeting in June 2016 and, in that meeting, resolved amendments to the Corporation's Articles of Incorporation (the "Articles"), particularly the amendment to the policy on dividend distribution and the addition of the policy on the distribution of employees' compensation.

Under the dividend policy as set forth in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and 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. For the policies on the distribution of employees' compensation and remuneration of directors before and after amendment, refer to "Employee benefits expense" in Note 17b.

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

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's share capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's share capital, the excess may be transferred to capital or distributed in cash.

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 2015 and 2014 approved in the shareholders' general meetings in June 2016 and June 2015, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2015	2014	2015	2014
Legal reserve	$ 577,599	$ 1,082,887		
Cash dividends	4,910,594	9,193,518	$ 1.33	$ 2.49

The appropriation of earnings for 2016 were proposed by the Corporation's board of directors on March 27, 2017. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 635,845	
Cash dividends	5,353,655	$1.45

The appropriation of earnings for 2016 is subject to the resolution of the shareholders' general meeting to be held in June 2017.

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 $11 thousand and $159 thousand were reversed for the years ended December 31, 2016 and 2015, 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, 2016 and 2015.

e. Other equity items

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

	For the Year Ended December 31	
	2016	2015
Balance at January 1	$ 2,239,093	$ 3,226,509
Share of exchange differences of subsidiaries and associates accounted for by using the equity method	(4,472,710)	(987,416)
Balance at December 31	$ (2,233,617)	$ 2,239,093

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

	For the Year Ended December 31	
	2016	2015
Balance at January 1	$ 10,993,974	$ 16,042,717
Unrealized gain (loss) arising on revaluation of available-for-sale financial assets	238,844	(1,031,027)
Reclassification of impairment arising from available-for-sale financial assets	-	3,334
Share of unrealized loss on revaluation of available-for-sale financial assets of subsidiaries and associates accounted for by using the equity method	(32,495)	(4,021,050)
Balance at December 31	$ 11,200,323	$ 10,993,974

3) Cash flow hedges

	For the Year Ended December 31	
	2016	2015
Balance at January 1	$ 5,487	$ 12,130
Share of cash flow hedges of subsidiaries accounted for by using the equity method	2,413	(6,643)
Balance at December 31	$ 7,900	$ 5,487

17. NET INCOME

a. Depreciation and amortization

	For the Year Ended December 31	
	2016	2015
Property, plant and equipment	$ 676,480	$ 890,240
Investment properties	253	627
Intangible assets	36,554	36,553
	$ 713,287	$ 927,420
An analysis of depreciation by function		
Operating costs	$ 620,793	$ 835,124
Operating expenses	55,046	54,790
Non-operating expenses	894	953
	$ 676,733	$ 890,867
An analysis of amortization by function		
Operating costs	$ 36,554	$ 36,553

b. Employee benefits expense

	For the Year Ended December 31, 2016		
	Classified as Operating Costs	Classified as Operating Expenses	Total
Retirement benefit plans			
Defined contribution plan	$ 13,610	$ 6,734	$ 20,344
Defined benefit plan	3,465	847	4,312
	17,075	7,581	24,656
Other employee benefits			
Salary	415,259	363,960	779,219
Labor and health insurance	36,353	16,854	53,207
Others	13,854	4,901	18,755
	465,466	385,715	851,181
Total employee benefits expense	$ 482,541	$ 393,296	$ 875,837

	For the Year Ended December 31, 2015		
	Classified as Operating Costs	Classified as Operating Expenses	Total
Retirement benefit plans			
Defined contribution plan	$ 14,290	$ 6,853	$ 21,143
Defined benefit plan	(5,852)	(1,987)	(7,839)
	8,438	4,866	13,304
Other employee benefits			
Salary	397,709	260,388	658,097
Labor and health insurance	40,300	19,447	59,747
Others	14,684	4,902	19,586
	452,693	284,737	737,430
Total employee benefits expense	$ 461,131	$ 289,603	$ 750,734

As of December 31, 2016 and 2015, the Corporation had 810 and 825 employees, respectively, the calculation of which is consistent with the employee benefits expense.

1) Employees' compensation and remuneration of directors for 2016 and 2015

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 shareholders in their meeting in June 2016, 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. The employees' compensation and remuneration of directors for the years ended December 31, 2016 and 2015, which have been approved by the Corporation's board of directors in March 2017 and in March 2016, respectively, were as follows:

	For the Year Ended December 31	
	2016	2015
Employees' compensation	$ 37,114	$ 28,834
Remuneration of directors	55,680	50,517

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the year ended December 31, 2015.

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors in 2017 and 2016 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

2) Bonus to employees and remuneration of directors and supervisors for 2014

The bonus to employees and remuneration of directors and supervisors for 2014, which have been approved in the shareholders' general meeting in June 2015, were as follows:

	For the Year Ended December 31, 2014
Bonus to employees	$ 58,612
Remuneration of directors and supervisors	93,456

There was no difference between the amounts of the bonus to employees and the remuneration of directors and supervisors approved in the shareholders' meeting in June 2015 and the amounts recognized in the financial statements for the year ended December 31, 2014.

c. Other income

	For the Year Ended December 31	
	2016	2015
Financial income	$ 77,326	$ 81,170
Gain on disposal of property, plant and equipment	29,564	1,796
Interest income	8,453	10,508
Others	37,915	59,666
	$ 153,258	$ 153,140

d. Other expenses

	For the Year Ended December 31	
	2016	2015
Loss on work stoppage	$ 179,525	$ 55,369
Foreign exchange loss, net	11,534	-
Loss on financial liabilities at fair value through profit or loss	-	67,969
Others	80,605	50,623
	$ 271,664	$ 173,961

18. INCOME TAX

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

	For the Year Ended December 31	
	2016	2015
Current tax		
In respect of the current year	$ 170,590	$ 258,798
Income tax on unappropriated earnings	-	48,031
Adjustments for prior years	(2,274)	(1,788)
	168,316	305,041

(Continued)

	For the Year Ended December 31	
	2016	2015
Deferred tax		
In respect of the current year	$ 9,959	$ (146,111)
Others	(1,005)	(330)
	(8,954)	(146,441)
Income tax expense recognized in profit or loss	$ 177,270	$ 158,600

(Concluded)

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	
	2016	2015
Income before tax	$ 6,535,722	$ 5,934,589
Income tax expense at the statutory rate	$ 1,111,073	$ 1,008,880
Tax-exempt income	(830,398)	(807,266)
Unrecognized deductible temporary differences	(100,668)	28,750
Land value increment tax	-	(118,566)
Adjustments for prior years	(2,274)	(1,788)
Income tax on unappropriated earnings	-	48,031
Others	(463)	559
Income tax expense recognized in profit or loss	$ 177,270	$ 158,600

The applicable tax rate used above for the Corporation is 17%.

As the 2017 appropriation of earnings is uncertain, the potential income tax consequences of the 2016 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2016	2015
Deferred tax in the current year		
Remeasurement on defined benefit plan	$ 64,491	$ (107,298)

c. Current tax assets and liabilities

	December 31	
	2016	2015
Current income tax liabilities	$ 39,626	$ 266,646

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, 2016

	Opening Balance	Recognized in Profit or Loss	Recognized in Comprehensive Income	Closing Balance
Deferred income tax assets				
Inventories	$ 35,645	$ -	$ -	$ 35,645
Property, plant and equipment	16,292	(1,652)	-	14,640
Long-term employee benefits plan	6,450	(151)	-	6,299
Deferred revenue	4,788	(208)	-	4,580
Investment properties	2,511	(79)	-	2,432
Others	2,832	1,015	-	3,847
	$ 68,518	$ (1,075)	$ -	$ 67,443
Deferred income tax liabilities				
Land value increment tax	$ 4,893,010	$ -	$ -	$ 4,893,010
Defined benefit plan	57,017	(733)	64,491	120,775
Retained earnings from foreign subsidiaries	119,405	8,612	-	128,017
	$ 5,069,432	$ 7,879	$ 64,491	$ 5,141,802

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 plan	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

e. Aggregate temporary differences associated with investments for which deferred income tax liabilities have not been recognized

As of December 31, 2016 and 2015, the taxable temporary differences in respect of investments in subsidiaries and associates for which no deferred income tax liabilities have been recognized were $24,777,481 thousand and $24,198,560 thousand, respectively.

f. Integrated income tax information

	December 31	
	2016	2015
Unappropriated earnings		
Generated before January 1, 1998	$ 38,366	$ 38,366
Generated on and after January 1, 1998	20,859,410	19,672,531
	$ 20,897,776	$ 19,710,897
Shareholder-imputed credit accounts	$ 1,702,678	$ 1,396,681

	For the Year Ended December 31	
	2016 (Estimated)	2015
Creditable ratio for distribution of earnings	8.16%	10.57%

g. Income tax assessments

The tax returns of the Corporation through 2014 have been assessed by the tax authorities.

19. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2016	2015
Basic earnings per share	$ 1.72	$ 1.56
Diluted earnings per share	$ 1.72	$ 1.56

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	
	2016	2015
Net income for the year	$ 6,358,452	$ 5,775,989
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	1,291	1,829
Weighted average number of ordinary shares used in the computation of diluted earnings per share	3,693,467	3,694,005

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 on a recurring basis

Fair value hierarchy

December 31, 2016

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed shares	$ 4,440,133	$ -	$ -	$ 4,440,133
Domestic emerging market shares	352,624	-	-	352,624
	$ 4,792,757	$ -	$ -	$ 4,792,757

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

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

c. Categories of financial instruments

	December 31	
	2016	2015
Financial assets		
Loans and receivables (1)	$ 5,051,564	$ 5,760,130
Available-for-sale (2)	4,883,749	4,662,212
Financial liabilities		
Amortized cost (3)	20,177,922	21,977,052

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

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 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, 2016 and 2015 would increase/decrease by $1,440 thousand and $2,383 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	
	2016	2015
Cash flow interest rate risk		
Financial assets	$ 858,844	$ 732,496
Financial liabilities	16,468,450	18,413,702

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, 2016 and 2015 would increase/decrease by $3,564 thousand and $3,040 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, 2016 and 2015 would increase/decrease by $68,344 thousand and $76,417 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, 2016 and 2015 would increase/decrease by $239,638 thousand and $227,696 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, 2016 and 2015, the amount of unused financing facilities was $10,832,145 thousand and $11,821,550 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, 2016

	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	$ 1,031,572	$ 1,388,001	$ 1,160,544	$ 9,368	$ -
Variable interest rate liabilities	1,589,704	4,305,533	3,472,733	7,337,472	-
Fixed interest rate liabilities	300,000	-	-	-	-
	$ 2,921,276	$ 5,693,534	$ 4,633,277	$ 7,346,840	$ -

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	$ -

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 For the Year Ended December 31		Operating Costs and Expenses For the Year Ended December 31	
	2016	2015	2016	2015
Subsidiaries	$ 1,490,533	$ 1,532,655	$ 3,338,240	$ 4,377,805
Management personnel in substance	568,419	585,217	10,800	59,643
Associates	267,474	193,896	310	285
Entities over which the Corporation has significant influence	140,839	118,952	476,049	703,366
Investors with significant influence over the Corporation	95,512	95,594	120	51,244
Entities with same key management personnel	20,613	20,751	28,000	7,000
	$ 2,583,390	$ 2,547,065	$ 3,853,519	$ 5,199,343

	December 31	
	2016	2015
Receivables from related parties		
Subsidiaries	$ 334,170	$ 233,194
Management personnel in substance	122,418	113,898
Associates	21,807	69,902
Entities over which the Corporation has significant influence	31,884	34,598
Investors that have significant influence over the Corporation	18,009	20,921
	$ 528,288	$ 472,513
Payables to related parties		
Subsidiaries	$ 574,614	$ 380,894
Entities over which the Corporation has significant influence	134,365	119,855
Others	85	42
	$ 709,064	$ 500,791

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 2016	December 31 2015
Subsidiaries	$ 20,000	$ 275,000

The loans to subsidiaries were unsecured for the years ended December 31, 2016 and 2015.

	For the Year Ended December 31 2016	For the Year Ended December 31 2015
Interest income	$ 1,905	$ 3,295

c. Other receivables from related parties

	December 31 2016	December 31 2015
Subsidiaries	$ 47,022	$ 50,376
Others	2,693	3,416
	$ 49,715	$ 53,792

Other receivables from related parties included interest and fees receivable.

d. Other payables to related parties

	December 31 2016	December 31 2015
Subsidiaries	$ 41,047	$ 68,629

e. Endorsements and guarantees

Endorsements and guarantees provided by the Corporation to related parties and actually drawn as of December 31, 2016 and 2015 were as follows:

	December 31 2016	December 31 2015
Subsidiaries	$ 16,282,459	$ 19,689,564

f. Compensation of key management personnel

	For the Year Ended December 31 2016	For the Year Ended December 31 2015
Short-term employee benefits	$ 160,082	$ 178,553
Post-employment benefits	2,197	2,195
	$ 162,279	$ 180,748

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	
	2016	2015
Property, plant and equipment	$ 87,859	$ 76,435
Pledged bank deposits (included in other non-current assets)	92,078	92,045
	$ 179,937	$ 168,480

24. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. As of December 31, 2016 and 2015, the balances of letters of credit for the purchase of raw materials were $418,428 thousand and $111,054 thousand, respectively.

b. As of December 31, 2016 and 2015, the Corporation issued bills of lading for finished goods in the amount of 286,000 tons as collateral for its credit facilities with financial institutions.

c. As of December 31, 2016 and 2015, the amounts of letters of guarantee issued by banks for the Corporation were $39,870 thousand and $43,747 thousand, respectively.

25. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the Corporation's functional currency and the exchange rates between such foreign currencies and the Corporation's functional currency were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 14,029	32.25 (USD:NTD)	$ 452,435
Non-monetary items			
USD	22,643	32.25 (USD:NTD)	$ 730,224
HKD	12,183,217	4.158 (HKD:NTD)	50,657,814
			$ 51,388,038
Financial liabilities			
Monetary items			
USD	8,650	32.25 (USD:NTD)	$ 278,949

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

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 (None)

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, 2016
(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	$ 310,000	$ 40,000	$ 20,000	1.40	The need for short-term financing	$ -	Operating capital	$ -		$ -	$ 21,353,610	$ 42,707,220	
1	Taiwan Transport & Storage Corporation	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	340,000	340,000	340,000	1.54	The need for short-term financing	-	Operating capital	-		-	799,678	799,678	
		Ho Swen Construction Material Co., Ltd.	Other receivables - related parties	Yes	2,497	-	-	-	The need for short-term financing	-	Operating capital	-		-	799,678	799,678	
2	Ta-Ho Onyx Taitung Environment Co., Ltd.	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	100,000	100,000	100,000	1.54	The need for short-term financing	-	Operating capital	-		-	118,043	118,043	
3	Taiwan Cement Engineering Corporation	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	250,000	250,000	250,000	1.54	The need for short-term financing	-	Operating capital	-		-	291,481	291,481	
4	Ho Sheng Mining Co., Ltd.	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	80,000	-	-	-	The need for short-term financing	-	Operating capital	-		-	49,589	49,589	
5	TCCI	TCCIH	Other receivables - related parties	Yes	3,998,070	3,870,000	2,580,000	2.30	The need for short-term financing	-	Operating capital	-		-	20,160,706	20,160,706	
6	TCC (Guigang) Cement Limited	TCC Huaying Cement Company Limited	Other receivables - related parties	Yes	1,464,192	1,329,696	1,327,126	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	1,016,800	923,400	806,128	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Jingzhou Cement Company Limited	Other receivables - related parties	Yes	762,600	692,550	692,550	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	1,423,520	1,292,760	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Anshun Cement Co., Ltd.	Other receivables - related parties	Yes	474,200	461,700	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	508,400	461,700	323,190	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	508,400	461,700	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables - related parties	Yes	101,680	92,340	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
7	Yingde Dragon Mountain Cement Co., Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	1,016,800	923,400	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Liaoning Cement Co., Ltd.	Other receivables - related parties	Yes	479,200	461,700	461,700	3.05	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
8	TCC Yingde Cement Co., Ltd.	TCC Guangan Cement Co., Ltd.	Other receivables - related parties	Yes	1,016,800	923,400	369,360	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	762,600	692,550	681,008	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	237,100	230,850	207,765	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Shaoguan Cement Co., Ltd.	Other receivables - related parties	Yes	398,969	363,683	363,683	3.68	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Jingzhou Cement Company Limited	Other receivables - related parties	Yes	254,200	230,850	216,999	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Anshun Cement Co., Ltd.	Other receivables - related parties	Yes	1,016,800	923,400	207,765	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC (Dong Guan) Cement Co., Ltd.	Other receivables - related parties	Yes	508,400	461,700	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note)	Aggregate Financing Limit (Note)	Note
													Item	Value			
		TCC Chongqing Cement Co., Ltd.	Other receivables - related parties	Yes	$ 497,200	$ 461,700	$ 461,700	3.48	The need for short-term financing	$ -	Operating capital	$ -		$ -	$ 73,549,850	$ 147,099,700	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	497,200	461,700	230,850	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	853,560	831,060	807,975	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Guizhou Kong On Cement Co., Ltd.	Other receivables - related parties	Yes	230,850	230,850	106,191	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
9	TCC Fuzhou Cement Co., Ltd.	TCC New (Hangzhou) Management Co., Ltd.	Other receivables - related parties	Yes	508,400	461,700	92,340	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Liaoning Cement Co., Ltd.	Other receivables - related parties	Yes	355,880	323,190	161,595	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	254,200	230,850	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	254,200	-	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
10	TCCIH	TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	265,999	241,565	241,565	-	The need for short-term financing	-	Operating capital	-		-	29,419,940	29,419,940	
11	Prime York Ltd.	Upper Value Investment Limited	Other receivables - related parties	Yes	219,249	212,058	212,058	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
12	Jurong TCC Cement Co., Ltd.	TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	1,271,000	1,154,250	1,154,250	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Dongguan Jinli Cement Company Limited	Other receivables - related parties	Yes	533,820	113,565	113,565	-	The need for short-term financing	-	Operating capital	-		-	4,268,843	4,268,843	
		TCC Liaoning Cement Co., Ltd.	Other receivables - related parties	Yes	328,510	323,190	300,105	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	762,600	692,550	577,125	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC New (Hangzhou) Management Co., Ltd.	Other receivables - related parties	Yes	152,160	-	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Huaihua Concrete Company Limited	Other receivables - related parties	Yes	152,520	138,510	55,404	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Chongqing Cement Co., Ltd.	Other receivables - related parties	Yes	1,016,800	923,400	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Anshun Cement Co., Ltd.	Other receivables - related parties	Yes	1,016,800	923,400	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	508,400	461,700	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Guangan Cement Co., Ltd.	Other receivables - related parties	Yes	508,400	461,700	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Guizhou Kong On Cement Co., Ltd.	Other receivables - related parties	Yes	355,880	323,190	161,595	3.70	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
13	TCC Anshun Cement Co., Ltd.	Anshun Xin Tai Construction Materials Company Limited	Other receivables - related parties	Yes	101,680	92,340	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Guizhou Kong On Cement Co., Ltd.	Other receivables - related parties	Yes	254,200	230,850	216,999	4.35	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	143,760	138,510	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	152,520	138,510	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables - related parties	Yes	152,520	138,510	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Chongqing Cement Co., Ltd.	Other receivables - related parties	Yes	484,500	461,700	230,850	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
14	TCC Guangan Cement Co., Ltd.	Guangan Xin Tai Construction Materials Company Limited	Other receivables - related parties	Yes	27,199	24,701	24,701	-	The need for short-term financing	-	Operating capital	-		-	1,139,329	1,139,329	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	152,520	138,510	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	99,440	92,340	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note)	Aggregate Financing Limit (Note)	Note
													Item	Value			
15	TCCI (HK)	Jurong TCC Cement Co., Ltd.	Other receivables - related parties	Yes	$ 418,125	$ -	$ -	-	The need for short-term financing	$ -	Operating capital	$ -		$ -	$ 73,549,850	$ 147,099,700	
		TCC Yingde Cement Co., Ltd.	Other receivables - related parties	Yes	1,115,450	-	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
16	Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	555,787	536,056	536,056	1.24	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
17	TCC Chongqing Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	254,200	230,850	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	152,520	138,510	138,510	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Huaihua Cement Company Limited	Other receivables - related parties	Yes	745,800	692,550	613,599	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Huaying Cement Company Limited	Other receivables - related parties	Yes	127,100	115,425	73,284	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Guangan Cement Co., Ltd.	Other receivables - related parties	Yes	508,400	461,700	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	254,200	230,850	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		TCC Jingzhou Cement Company Limited	Other receivables - related parties	Yes	92,340	92,340	46,170	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
18	TCC New (Hangzhou) Management Co., Ltd.	Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	315,208	286,254	286,254	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	279,620	253,935	203,148	3.48	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables - related parties	Yes	40,672	36,936	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
19	Prosperity Minerals (China) Ltd.	TCC New (Hangzhou) Management Co., Ltd.	Other receivables - related parties	Yes	405,539	368,191	368,191	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
20	Da Tong (Guigang) International Logistics Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	Other receivables - related parties	Yes	152,520	138,510	-	-	The need for short-term financing	-	Operating capital	-		-	3,199,924	6,399,848	
21	Hexagon III Holdings Ltd.	Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	207,427	-	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
22	Hexagon IV Holdings Ltd.	Scitus Luzhou Cement Co., Ltd.	Other receivables - related parties	Yes	397,658	-	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
23	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Scitus Naxi Cement Co., Ltd.	Other receivables - related parties	Yes	152,520	138,510	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
24	TCC Investment Corporation	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	290,000	-	-	-	The need for short-term financing	-	Operating capital	-		-	455,308	455,308	
		Jin Chang Minerals Corporation	Other receivables - related parties	Yes	9,000	-	-	-	The need for short-term financing	-	Operating capital	-		-	455,308	455,308	
25	Union Cement Traders Inc.	Ta-Ho Onyx RSEA Environment Co., Ltd.	Other receivables - related parties	Yes	90,000	-	-	-	The need for short-term financing	-	Operating capital	-		-	194,630	194,630	
26	TCC International (Guangxi) Ltd.	TCC (Guigang) Cement Limited	Other receivables - related parties	Yes	3,708,750	3,708,750	3,708,750	2.03	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
27	Hensford Ltd.	TCC Anshun Cement Co., Ltd.	Other receivables - related parties	Yes	1,657,240	-	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
28	TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Other receivables - related parties	Yes	93,080	92,340	9,234	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
29	Jingyang Industrial Limited	Jurong TCC Cement Co., Ltd.	Other receivables - related parties	Yes	318,700	-	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note)	Aggregate Financing Limit (Note)	Note
													Item	Value			
30	Sure Kit Ltd.	TCC Chongqing Cement Co., Ltd.	Other receivables - related parties	Yes	$ 573,660	$ -	$ -	-	The need for short-term financing	$ -	Operating capital	$ -		$ -	$ 73,549,850	$ 147,099,700	
31	Mega East Ltd.	TCC Guangan Cement Co., Ltd.	Other receivables - related parties	Yes	637,400	-	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	
32	Scitus Luzhou Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables - related parties	Yes	92,360	92,340	-	-	The need for short-term financing	-	Operating capital	-		-	73,549,850	147,099,700	

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, 2016
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 3)											
0	Taiwan Cement Corporation	TCCI	b	$ 53,384,026	$ 34,319,700	$ 32,282,250	$ 12,577,500	$ -	30.24	$ 106,768,051	Y	N	N	
		TCC Investment Corporation	b	53,384,026	3,400,000	2,510,000	1,347,000	-	2.35	106,768,051	Y	N	N	
		TCC Chemical Corporation	b	53,384,026	2,608,000	2,165,000	1,010,000	-	2.03	106,768,051	Y	N	N	
		Union Cement Traders Inc.	c	53,384,026	1,660,000	1,660,000	680,000	-	1.55	106,768,051	Y	N	N	
		Kuan-Ho Construction & Development Corporation	b	53,384,026	750,000	670,000	540,000	-	0.63	106,768,051	Y	N	N	
		Jin Chang Minerals Corporation	b	53,384,026	68,848	68,848	39,814	39,814	0.06	106,768,051	Y	N	N	
		Feng Sheng Enterprise Company	a	476,131	88,145	88,145	88,145	-	0.08	106,768,051	N	N	N	
1	TCCIH	TCC (Guigang) Cement Limited	c	36,774,925	10,010,590	4,944,525	2,543,067	-	6.72	73,549,850	Y	N	Y	
		TCC Yingde Cement Co., Ltd.	c	36,774,925	4,086,850	2,245,650	785,858	-	3.05	73,549,850	Y	N	Y	
		Jurong TCC Cement Co., Ltd.	c	36,774,925	3,512,275	2,076,060	1,565,163	-	2.82	73,549,850	Y	N	Y	
		TCC Chongqing Cement Co., Ltd.	c	36,774,925	2,860,040	1,544,625	577,125	-	2.10	73,549,850	Y	N	Y	
		TCC Anshun Cement Co., Ltd.	c	36,774,925	2,718,630	-	-	-	-	73,549,850	Y	N	Y	
		TCC Fuzhou Cement Co., Ltd.	c	36,774,925	2,073,599	1,536,176	175,446	-	2.09	73,549,850	Y	N	Y	
		Scitus Luzhou Cement Co., Ltd.	c	36,774,925	2,007,000	967,500	-	-	1.32	73,549,850	Y	N	Y	
		TCC Liaoning Cement Co., Ltd.	c	36,774,925	1,898,100	1,789,050	590,976	-	2.43	73,549,850	Y	N	Y	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	c	36,774,925	1,672,500	967,500	761,805	-	1.32	73,549,850	Y	N	Y	
		TCC Guangan Cement Co., Ltd.	c	36,774,925	920,420	-	-	-	-	73,549,850	Y	N	Y	
		Guizhou Kong On Cement Co., Ltd.	c	36,774,925	878,063	733,688	420,147	-	1.00	73,549,850	Y	N	Y	
		Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	e	36,774,925	532,560	415,530	415,530	-	0.56	73,549,850	N	N	Y	
		Scitus Naxi Cement Co., Ltd.	c	36,774,925	334,500	-	-	-	-	73,549,850	Y	N	Y	
2	TCC (Guigang) Cement Limited	TCCI (HK)	d	6,538,893	762,600	692,550	692,550	-	5.30	13,077,786	N	Y	N	
3	Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	d	123,972	30,283	30,283	30,283	-	24.43	123,972	N	Y	N	

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

a. For Taiwan Cement Corporation, TCCIH and TCC (Guigang) Cement Limited, 50% of the net equity in the latest financial statements.
b. For endorsement/guarantee given by Taiwan Cement Corporation due to business transactions, 50% of the business transaction amounts in the previous year.
c. For Ho Sheng Mining Co., Ltd., 100% of its net equity in the latest financial statements.

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

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

a. Having a business relationship.
b. The endorser/guarantor 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.

TABLE 3

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2016
(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, 2016				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	56,141	$ 662,459	-	$ 662,459	
	CTCI Corporation	-	Available-for-sale financial assets - current	9,054	440,947	-	440,947	
	Chia Hsin Cement Corporation	Directors	Available-for-sale financial assets - current	27,419	239,371	-	239,371	
	China Hi-Ment Corporation	The Corporation serves as director	Available-for-sale financial assets - non-current	27,451	1,452,161	-	1,452,161	
	China Synthetic Rubber Corporation	The same chairman	Available-for-sale financial assets - non-current	52,552	1,500,375	-	1,500,375	
	O-Bank	The Corporation serves as director	Available-for-sale financial assets - non-current	30,000	251,100	-	251,100	
	Taiwan Television Enterprise, Ltd.	The Corporation serves as supervisor	Available-for-sale financial assets - non-current	13,573	101,524	-	101,524	
	Chien Kuo Construction Co., Ltd.	-	Available-for-sale financial assets - non-current	9,403	81,710	-	81,710	
	Chinatrust Financial Holding Co., Ltd.	-	Available-for-sale financial assets - non-current	3,575	63,110	-	63,110	
	IBT II Venture Capital Corporation	The Corporation serves as director	Financial assets carried at cost - non-current	2,626	26,259	8.30	-	
	Rong Gong Enterprise Co.	The Corporation serves as supervisor	Financial assets carried at cost - non-current	3,390	33,900	4.00	-	
	Chinatrust Investment Co., Ltd.	The same chairman	Financial assets carried at cost - non-current	27,361	12,156	8.70	-	
	Pan Asia Corporation	The Corporation serves as supervisor	Financial assets carried at cost - non-current	6,204	8,996	5.40	-	
	Taiwan Stock Exchange Corporation	The Corporation serves as director	Financial assets carried at cost - non-current	44,861	8,011	6.60	-	
	E-ONE Moli Energy Corporation	The same chairman	Financial assets carried at cost - non-current	983	1,670	0.40	-	
	Excel Corporation	-	Financial assets carried at cost - non-current	600	-	9.50	-	
Taiwan Transport & Storage Corporation	Shares							
	Chia Hsin Cement Corporation	Director of parent company	Available-for-sale financial assets - current	8,632	75,353	-	75,353	
TCC Investment Corporation	Shares							
	China Conch Venture Holdings Limited	-	Available-for-sale financial assets - current	28,000	1,606,651	-	1,606,651	
	Taishin Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	10,739	126,723	-	126,723	
	Chia Hsin Cement Corporation	Director of parent company	Available-for-sale financial assets - current	8,334	72,755	-	72,755	7,000 thousand shares were pledged
	China Synthetic Rubber Corporation	The same chairman	Available-for-sale financial assets - non-current	11,922	340,364	-	340,364	1,934 thousand shares were pledged
	O-Bank	The Corporation serves as director	Available-for-sale financial assets - non-current	21,934	183,587	-	183,587	21,000 thousand shares were pledged
	Chinatrust Investment Co., Ltd.	The same chairman	Financial assets carried at cost - non-current	10,884	136,378	3.50	-	
	E-ONE Moli Energy Corporation	The same chairman	Financial assets carried at cost - non-current	15,859	29,345	6.30	-	
	Pan Asia Corporation	The Corporation serves as supervisor	Financial assets carried at cost - non-current	1	14	-	-	
Ta-Ho Maritime Corporation	Shares							
	Chia Hsin Cement Corporation	Director of parent company	Available-for-sale financial assets - current	25,761	224,896	-	224,896	
	Prosperity Dielectrics Co., Ltd.	-	Available-for-sale financial assets - non-current	1,024	15,765	-	15,765	
	Chinatrust Investment Co., Ltd.	The same chairman	Financial assets carried at cost - non-current	6,612	76,034	2.10	-	
Taiwan Cement Engineering Corporation	Beneficiary certificates							
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss	2,930	46,827	-	46,827	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2016				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
TCC Chemical Corporation	Shares							
	Taiwan Stock Exchange Corporation	The Corporation serves as director	Financial assets carried at cost - non-current	2,562	$ 44,820	-	$ -	
TCC Information Systems Corporation	Beneficiary certificates							
	Yuanta De- Bao Money Market Fund	-	Financial assets at fair value through profit or loss	2,575	30,659	-	30,659	
	Fuh Hwa You Li Money Market	-	Financial assets at fair value through profit or loss	2,288	30,568	-	30,568	
	Shares							
	China Synthetic Rubber Corporation	The same chairman	Available-for-sale financial assets - non-current	1,303	37,213	-	37,213	
Taiwan Prosperity Chemical Corporation	Shares							
	Taishin Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	70,568	832,703	-	832,703	
Hoping Industrial Port Corporation	Shares							
	Chinatrust Investment Co., Ltd.	The same chairman	Financial assets carried at cost - non-current	10,444	120,103	3.30	-	
	E-ONE Moli Energy Corporation	The same chairman	Financial assets carried at cost - non-current	5,822	9,897	3.90	-	
E.G.C. Cement Corporation	Beneficiary certificates							
	Nomura Taiwan Money Market	-	Available-for-sale financial assets - current	1,907	19,395	-	19,395	
	Shares							
	Der Pao Construction Co., Ltd.	-	Financial assets carried at cost - non-current	17	-	0.10	-	
Union Cement Traders Inc.	Shares							
	Taishin Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	24,800	292,635	-	292,635	
	CTCI Corporation	-	Available-for-sale financial assets - current	13,365	650,891	-	650,891	
	Chia Hsin Cement Corporation	Director of parent company	Available-for-sale financial assets - current	7,441	64,960	-	64,960	
	China Synthetic Rubber Corporation	The same chairman	Available-for-sale financial assets - non-current	5,742	163,946	-	163,946	
	E-ONE Moli Energy Corporation	The same chairman	Financial assets carried at cost - non-current	15,283	23,598	6.10	-	
	Videoland Inc.	-	Financial assets carried at cost - non-current	6,437	89,990	5.60	-	
TCCI (Group)	Beneficiary certificates							
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	3,130	38,787	-	38,787	
	Shares							
	Anhui Conch Cement Co., Ltd.	-	Available-for-sale financial assets - current	116,568	10,226,954	-	10,226,954	
	Yargoon Co., Ltd.	-	Financial assets carried at cost - non-current	-	12,841	24.20	-	

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, 2016
(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)	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	Shares TCCIH	Investments accounted for using the equity method	Chia Hsin Cement Group	Substantive related-party relationship	2,814,016	$ 40,050,594	303,000	$ 2,732,057	-	$ -	$ -	$ -	$ (2,749,918)	3,117,016	$ 40,032,733

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

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, 2016
(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	Director of the Corporation	Sales	$ (472,675)	(3)	65 days after the day delivery was made	$ -	-	$ 103,221	21	
	Feng Shang Enterprise Company	Subsidiary	Sales	(299,596)	(2)	30 days	-	-	79,974	16	
			Purchases	652,666	4	30 days	-	-	(92,836)	(16)	
	TCCIH	Subsidiary	Service revenue	(499,954)	(3)	By contract	-	-	45,366	9	
	HKCCL	Subsidiary	Sales	(108,342)	(1)	65 days after shipping	-	-	66,559	14	
	Taiwan Transport & Storage Corporation	Subsidiary	Purchases	945,313	6	30 days	-	-	(131,266)	(22)	
	China Hi-Ment Corporation	The Corporation serves as director	Purchases	476,049	3	60 days	-	-	(134,365)	(23)	
			Sales	(135,662)	(1)	60 days	-	-	31,370	6	
	Hoping Industrial Port Corporation	Subsidiary	Purchases	499,005	3	20 days	-	-	(9,620)	(2)	
	Ta-Ho Maritime Corporation	Subsidiary	Purchases	756,694	5	30 days	-	-	(152,496)	(26)	
	Shih Hsin Storage & Transportation Co., Ltd.	Associates	Sales	(258,700)	(2)	60 days	-	-	20,895	4	
	Kuan-Ho Refractories Industry Corporation	Subsidiary	Purchases	255,300	2	By contract	-	-	(102,878)	(18)	
	E.G.C. Cement Corporation	Subsidiary	Sales	(454,772)	(3)	50 days after the day delivery was made	-	-	134,640	28	
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	Sales	(255,300)	(23)	By contract	-	-	102,878	77	
E.G.C. Cement Corporation	Taiwan Cement Corporation	Parent company	Purchases	454,772	100	50 days after the day delivery was made	-	-	(134,640)	(100)	
Ho-Ping Power Company	Hoping Industrial Port Corporation	The same parent company	Purchases	1,146,658	24	20 days	-	-	(79,566)	(49)	
	HPC Power Service Corporation	The same parent company	Purchases	398,224	8	By contract	-	-	(66,303)	(41)	
Hoping Industrial Port Corporation	Ho-Ping Power Company	The same parent company	Sales	(1,146,658)	(69)	20 days	-	-	79,566	87	
	Taiwan Cement Corporation	Parent company	Sales	(499,005)	(30)	20 days	-	-	9,620	11	
	Taiwan Transport & Storage Corporation	The same parent company	Purchases	192,301	68	30 days	-	-	(18,024)	(65)	
Feng Shang Enterprise Company	Taiwan Cement Corporation	Parent company	Sales	(652,666)	(28)	30 days	-	-	92,836	100	
			Purchases	299,596	13	30 days	-	-	(79,974)	(100)	
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	Sales	(945,313)	(61)	30 days	-	-	131,266	70	
	Taiwan Prosperity Chemical Corporation	The same parent company	Sales	(167,639)	(11)	By contract	-	-	22,951	12	
	Hoping Industrial Port Corporation	The same parent company	Sales	(192,301)	(12)	30 days	-	-	18,024	10	
	China Synthetic Rubber Corporation	The same chairman	Sales	(102,240)	(7)	30 days	-	-	7,973	4	
Taiwan Prosperity Chemical Corporation	Taiwan Transport & Storage Corporation	The same parent company	Purchases	167,639	2	By contract	-	-	(22,951)	(6)	
HPC Power Service Corporation	Ho-Ping Power Company	The same parent company	Sales	(398,224)	(100)	By contract	-	-	66,303	100	
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	Sales	(756,694)	(24)	30 days	-	-	152,496	99	
	THC International S.A	Subsidiary	Rental expense	210,736	7	By negotiation	-	-	(33,767)	(57)	
	Sheng Ho Maritime S.A.	Subsidiary	Rental expense	104,241	4	By negotiation	-	-	(14,171)	(24)	

(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)	
THC International S.A	Ta-Ho Maritime Corporation	Parent company	Rental revenue	$ (210,736)	(100)	By negotiation	$ -	-	$ 33,767	100	
Sheng Ho Maritime S.A.	Ta-Ho Maritime Corporation	Parent company	Rental revenue	(104,241)	(100)	By negotiation	-	-	14,171	100	
HKCCL	Taiwan Cement Corporation	Parent company	Purchases	108,342	10	65 days after shipping	-	-	(66,559)	(92)	
	Quon Hing Concrete. Ltd.	Associates	Sales	(313,649)	(21)	By negotiation	-	-	60,656	21	
	Top Form Construction Ltd.	Investors with significant influence over the Group	Sales	(186,506)	(12)	By negotiation	-	-	35,779	13	
	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	117,784	11	By negotiation	-	-	(6,032)	(8)	
TCC (Guigang) Cement Limited	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	195,663	3	By negotiation	-	-	(60,867)	(25)	
	Da Tong (Guigang) International Logistics Co., Ltd.	The same ultimate parent company	Purchases	268,469	4	By negotiation	-	-	(91,808)	(37)	
TCC Yingde Cement Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	237,576	4	By negotiation	-	-	(42,053)	(13)	
Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Guigang) Cement Limited	The same ultimate parent company	Freight revenue	(268,469)	(96)	By negotiation	-	-	91,808	100	
Guigang Da-Ho Shipping Co., Ltd.	TCC (Guigang) Cement Limited	The same ultimate parent company	Freight revenue	(195,663)	(25)	By negotiation	-	-	60,867	30	
	TCC Yingde Cement Co., Ltd.	The same ultimate parent company	Freight revenue	(237,576)	(31)	By negotiation	-	-	42,053	21	
	HKCCL	The same ultimate parent company	Freight revenue	(117,784)	(15)	By negotiation	-	-	6,032	3	
TCCIH	Taiwan Cement Corporation	Parent company	Service expense	499,954	100	By contract	-	-	(45,366)	(99)	
Yingde Dragon Mountain Cement Co., Ltd.	Prosperity Conch Cement Company Limited	Associates	Purchases	100,100	3	By negotiation	-	-	(5,021)	(1)	

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, 2016
(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		
Taiwan Cement Corporation	Chia Hsin Cement Corporation	Directors	$ 103,221	4.8	$ -	-	$ 103,221	$ -
	E.G.C. Cement Corporation	Subsidiary	134,640	4.0	-	-	26,763	-
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	152,496	5.4	-	-	136,334	-
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	131,266	6.9	-	-	131,266	-
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	102,878	3.2	-	-	89,374	-
TCC Yingde Cement Co., Ltd.	Dongguan Jinli Cement Company Limited	Substantive related party	221,660	-	221,660	Collecting	-	-

TABLE 7

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2016
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2016	Original Investment Amount December 31, 2015	As of December 31, 2016 Shares/Units (In Thousands)	As of December 31, 2016 %	As of December 31, 2016 Carrying Amount	Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
Taiwan Cement Corporation	TCCI	British Virgin Islands	Investment holding	$ 18,344,635	$ 18,344,635	600,876	100.00	$ 50,405,311	$ 539,915	$ 539,915	
	Ho-Ping Power Company	Taiwan	Thermal power generation	6,037,720	6,037,720	602,973	59.50	19,824,884	5,553,536	3,304,354	
	Hoping Industrial Port Corporation	Taiwan	Hoping Industrial Port management	3,198,500	3,198,500	319,990	100.00	5,458,638	827,452	827,426	
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	528,506	528,506	118,649	64.79	2,073,147	162,718	105,421	
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	1,284,143	1,284,143	145,988	50.00	1,703,079	(416,245)	(208,123)	
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation, and sale of sand and gravel	90,862	90,862	32,668	83.85	1,676,242	114,750	96,213	
	TCC Investment Corporation	Taiwan	Investment	190,000	190,000	54,150	100.00	1,138,271	(79,263)	(79,263)	
	Ho Sheng Mining Co., Ltd.	Taiwan	Mining and trading	1,414,358	1,414,358	30,100	100.00	1,224,272	(47,511)	(47,511)	
	CCC USA Corporation	U.S.A.	Rubber raw materials	481,983	481,983	39	33.33	720,290	122,200	40,733	
	Taiwan Cement Engineering Corporation	Taiwan	Engineering services	319,439	319,439	59,593	99.05	706,761	50,291	51,191	
	Kuan-Ho Construction & Development Corporation	Taiwan	Construction and lease services	248,963	248,963	35,959	92.87	473,638	56,064	52,067	
	ONYX Ta-Ho Environmental Services Co., Ltd.	Taiwan	Waste collection and treatment	72,000	72,000	8,000	50.00	444,093	574,519	287,260	
	Kuan-Ho Refractories Industry Corporation	Taiwan	Production and sale of refractory materials	181,050	181,050	18,105	95.29	360,862	43,874	41,807	
	Feng Sheng Enterprise Company	Taiwan	Sale of ready-mixed concrete	250,000	250,000	27,261	45.43	347,821	36,004	16,358	
	TCC Chemical Corporation	Taiwan	Processing and sale of chemical material	334,350	334,350	118,393	100.00	351,508	43,975	56,680	
	Ta-Ho Onyx Taitung Environment Co., Ltd.	Taiwan	Waste collection and treatment	313,187	313,187	37,100	100.00	295,109	1,699	1,699	
	TCC Information Systems Corporation	Taiwan	Information software design	71,000	71,000	14,904	99.36	249,975	30,035	29,842	
	Ta-Ho Onyx RSEA Environment Co., Ltd.	Taiwan	Waste collection and treatment	666,000	666,000	66,600	66.60	218,514	(24,008)	(15,990)	
	HKCMCL	Hong Kong	Investment holding	72,005	72,005	38	84.65	252,503	58,917	49,875	
	Tunwoo Company Limited	Taiwan	Warehousing and sale of cement	59,880	59,880	75,499	100.00	128,235	13,437	13,437	
	Jin Chang Minerals Corporation	Taiwan	Afforestation and sale of limestone	18,282	20,282	1,800	100.00	119,043	(6,972)	(6,972)	
	HPC Power Service Corporation	Taiwan	Business consulting	1,861	1,861	6	60.00	99,711	181,605	108,963	
	E.G.C. Cement Corporation	Taiwan	Sale of cement	184,359	184,359	8,063	50.64	95,648	1,820	922	
	Synpac Ltd.	British Virgin Islands	Investment	70,367	70,367	2,700	25.00	9,934	(22)	(5)	
	Tung Chen Mineral Corporation	Taiwan	Afforestation and sale of limestone	1,989	1,989	20	99.45	1,435	(42)	(41)	
	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	879,080	162,718	44,701	
	E.G.C. Cement Corporation	Taiwan	Sale of cement	126,518	126,518	7,061	44.36	113,152	1,820	807	
	Chia Huan Tung Cement Corporation	Taiwan	Manufacturing and sale of cement-related products	138,830	138,830	13,883	12.74	82,900	(41,095)	(5,235)	
	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	486,575	(64,185)	(64,185)	
	Ho-Ping Power Company	Taiwan	Thermal power generation	68,911	68,911	5,067	0.50	163,129	5,553,536	27,768	
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	24,000	24,000	1,500	0.51	17,499	(416,245)	(2,138)	
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	343	343	34	0.02	600	162,718	30	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2016	Original Investment Amount December 31, 2015	As of December 31, 2016 Shares/Units (In Thousands)	As of December 31, 2016 %	As of December 31, 2016 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	$ 4,144,375	$ 138,781	$ 138,781	
	Shih Hsin Storage & Transportation Co., Ltd.	Taiwan	Warehousing, transportation, and sale of cement	49,689	49,689	4,449	3.34	28,477	(95,203)	(3,180)	
	Chia Huan Tung Cement Corporation	Taiwan	Manufacturing and sale of cement-related products	12,608	12,608	1,261	1.16	7,547	(41,095)	(476)	
Taiwan Cement Engineering Corporation	TCEC Corporation	Brunei Darussalam	Investment	16,295	16,295	-	100.00	71,255	379	379	
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Samoa	Investment	3,042	3,042	2,128	100.00	45,037	5,424	5,424	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	104,929	104,929	6,675	2.29	77,870	(416,245)	(9,516)	
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	101,205	(95,203)	(11,312)	
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	31,436	(95,203)	(3,510)	
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation, and sale of sand and gravel	2,612	2,612	261	0.67	13,406	114,750	769	
	Chia Huan Tung Cement Corporation	Taiwan	Manufacturing and sale of cement-related products	4,050	4,050	405	0.37	2,418	(41,095)	(153)	
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Panama	Marine transportation	64,823	65,978	2	100.00	2,670,429	31,876	31,876	
	Sheng Ho Maritime S.A.	Panama	Marine transportation	64,823	65,978	2	100.00	496,457	18,325	18,325	
	Ta-Ho Maritime (Hong Kong) Limited	Hong Kong	Marine transportation	164,475	167,408	5,100	100.00	500,036	84,303	84,303	
	Chi Ho Maritime S.A.	Panama	Marine transportation	209,948	213,691	7	100.00	387,129	3,388	3,388	
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Singapore	Marine transportation	3,225	3,283	100	100.00	78,464	1,194	1,194	
TCC International Ltd. (Group)	Quon Hing Concrete Co., Ltd.	Hong Kong	Investment holding	184,994	188,419	100	50.00	292,066	222,373	111,187	
	Chia Huan Tung Cement Corporation	Taiwan	Manufacturing and sale of cement-related products	212,220	212,220	21,222	19.48	126,723	(41,095)	(8,005)	
	Hong Kong Concrete Co., Ltd.	Hong Kong	Cement processing services	28,366	28,891	129	31.50	211,779	457,978	144,263	

(Concluded)

TABLE 8

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2016
(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, 2016 (Note 2)	Investment Flow (Note 2) Outflow	Investment Flow (Note 2) Inflow	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2016 (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, 2016 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2016	Note
Anhui King Bridge Cement Co., Ltd.	Manufacturing and sale of cement	$ 483,750	a.	$ 164,475	$ -	$ -	$ 164,475	$ (23,147)	38.00	$ (8,127)	$ 176,208	$ -	
TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	524,063	a.	296,095	-	-	296,095	(54,620)	63.05	(31,468)	631,494	-	
TCC Fuzhou Yangyu Port Co., Ltd.	Port for cement transportation	161,250	a.	91,106	-	-	91,106	13,742	63.05	8,131	187,277	-	
TCC Liuzhou Construction Materials Co., Ltd.	Sale of building material	435,375	a.	104,490	-	-	104,490	86,062	26.00	21,625	238,559	-	
TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	8,204,400	a.	3,997,742	1,128,750	-	5,126,492	464,469	63.05	275,597	10,774,086	-	
Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	7,514,250	a.	4,063,339	322,500	-	4,385,839	(627,719)	63.05	(382,687)	6,728,763	-	
TCC (Guigang) Cement Limited	Manufacturing and sale of cement	7,026,498	a.	3,969,971	-	-	3,969,971	664,209	63.05	411,399	8,245,544	-	
Jiangsu TCC Investment Co., Ltd.	Investment	1,612,500	a.	911,063	-	-	911,063	(51,540)	63.05	(29,560)	1,565,249	-	
Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	1,976,584	a.	3,503,418	-	-	3,503,418	607,885	63.05	366,262	6,415,730	-	
TCC Liaoning Cement Co., Ltd.	Manufacturing and sale of cement	1,712,907	a.	1,437,753	-	-	1,437,753	(209,974)	63.05	(125,375)	1,296,431	-	
TCC Anshun Cement Co., Ltd.	Manufacturing and sale of cement	4,950,053	a.	1,929,388	1,677,000	-	3,606,388	361,135	63.05	222,124	3,798,659	-	
TCC Chongqing Cement Co., Ltd.	Manufacturing and sale of cement	3,805,500	a.	2,171,114	580,500	-	2,751,614	151,219	63.05	94,008	3,172,263	-	
TCC Guangan Cement Co., Ltd.	Manufacturing and sale of cement	2,482,928	a.	1,157,626	645,000	-	1,802,626	91,366	63.05	55,607	1,795,868	-	
TCC (Dong Guan) Cement Co., Ltd.	Warehousing and cement technical consulting	645,000	a.	364,425	-	-	364,425	(19,460)	63.05	(12,283)	357,458	-	
Guizhou Kong On Cement Co., Ltd.	Manufacturing and sale of cement	654,675	a.	295,093	-	-	295,093	(15,281)	41.00	(4,435)	237,667	-	
TCC New (Hangzhou) Management Co., Ltd.	Operation management	258,000	a.	145,770	-	-	145,770	61,024	63.05	36,249	91,249	-	
Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	1,799,063	a.	1,153,724	-	-	1,153,724	168,192	63.05	105,639	1,566,073	-	
TCC Shaoguan Cement Co., Ltd.	Manufacturing and sale of cement	2,228,475	a.	182,213	1,905,975	-	2,088,188	(5,174)	63.05	(3,095)	779,553	-	
TCC Huaying Cement Company Limited	Manufacturing and sale of cement	4,385,596	a.	3,329,078	-	-	3,329,078	(90,775)	63.05	(50,070)	1,307,664	-	
TCC Huaihua Cement Company Limited (Note 4)	Manufacturing and sale of cement	429,381	a.	6,094,182	-	-	6,094,182	(270,210)	63.05	(151,368)	1,274,013	-	
TCC Jingzhou Cement Company Limited (Note 4)	Manufacturing and sale of cement	46,170	a.	-	-	-	-	(25,765)	63.05	(13,077)	682,027	-	
TCC Huaihua Concrete Company Limited (Note 4)	Manufacturing and sale of cement	46,170	a.	-	-	-	-	(18,239)	63.05	(10,607)	49,182	-	
TCC Jiangsu Mining Industrial Company Limited	Mining of limestone	129,000	a.	403,347	-	-	403,347	8,414	63.05	4,838	199,974	-	
TCC Yingde Mining Industrial Company Limited	Mining of limestone	370,875	a.	291,787	-	-	291,787	25,600	63.05	14,622	284,752	-	
TCC Guigang Mining Industrial Company Limited	Mining of limestone	161,250	a.	139,276	-	-	139,276	53,546	63.05	31,811	218,877	-	
Scitus Naxi Cement Co., Ltd. (Note 5)	Manufacturing and sale of cement	676,437	a.	-	-	-	-	(114,433)	63.05	(64,707)	73,200	-	
Scitus Luzhou Cement Co., Ltd. (Note 5)	Manufacturing and sale of cement	1,823,715	a.	-	-	-	-	51,208	63.05	32,236	1,161,052	-	

(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, 2016 (Note 2)	Investment Flow (Note 2) Outflow	Investment Flow (Note 2) Inflow	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2016 (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, 2016 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2016	Note
Scitus Hejiang Cement Co., Ltd. (Note 5)	Manufacturing and sale of cement	$ 107,345	a.	$ -	$ -	$ -	$ -	$ (128,746)	63.05	$ (80,694)	$ 8,156	$ -	
Scitus Luzhou Concrete Co., Ltd. (Note 5)	Manufacturing and sale of cement	115,425	a.	-	-	-	-	(17,232)	63.05	(10,297)	81,175	-	
Anshun Xin Tai Construction Materials Company Limited	Manufacturing and sale of concrete aggregate	69,255	a.	99,085	-	-	99,085	824	63.05	464	40,828	-	
TCEC (Yingde) Machine Co., Ltd. (Note 6)	Production and sale of cement machinery and assembly work	16,295	b.	16,295	-	-	16,295	379	100.00	379	71,255	-	
Fuzhou TCC Information Technology Co., Ltd. (Note 6)	Software product and equipment maintenance	3,225	c.	3,225	-	-	3,225	5,461	100.00	5,461	38,143	-	
Da Tong (Guigang) International Logistics Co., Ltd (Note 6)	Logistics and transportation	161,250	d.	161,250	-	-	161,250	85,626	100.00	85,626	480,944	-	
Da Tong (Ying De) Logistics Co., Ltd. (Note 6)	Logistics and transportation	23,085	d.	23,085	-	-	23,085	13,713	100.00	13,713	72,275	-	
Guigang Da-Ho Shipping Co., Ltd. (Note 6)	Marine transportation	18,468	d.	18,468	-	-	18,468	65,486	100.00	65,486	219,077	-	
Prosperity Conch Cement Co., Ltd. (Note 6)	Manufacturing and sale of cement	2,677,860	a.	2,373,747	-	-	2,373,747	1,333,137	25.00	333,284	3,103,826	-	
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd. (Note 6)	Manufacturing and sale of cement	3,809,025	a.	1,547,579	-	-	1,547,579	309,089	30.00	92,727	1,529,975	-	
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. (Note 6)	Manufacturing and sale of cement	1,904,882	a.	749,408	-	-	749,408	151,810	30.00	45,543	752,278	-	
Sichuan Taichang Building Material Group Company Limited (Note 6)	Manufacturing and sale of cement	923,400	a.	374,623	-	-	374,623	(66,404)	30.00	-	-	-	
Guangan Xin Tai Construction Materials Company Limited (Note 6)	Manufacturing and sale of concrete aggregate	71,564	a.	51,143	-	-	51,143	(124,655)	50.00	(43,512)	-	-	

Accumulated Investment in Mainland China as of December 31, 2016	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$41,812,077	$47,946,356	(Note 7)

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, 2016, 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, 2016, 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 2016 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)