Evergreen Steel Corporation

**Financial Statements for the
Years Ended December 31, 2018 and 2017 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Evergreen Steel Corporation

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the Business Entity Accounting Act, Regulation on Business Entity Accounting Handling relevant to preparation of financial statements, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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.

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 Business Entity Accounting Act, Regulation on Business Entity Accounting Handling relevant to preparation of financial statements, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Company'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 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 Company'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 Company'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 Company to cease to continue as a going concern.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report is Ching-Fu Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2019

Notice to Readers

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

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

EVERGREEN STEEL CORPORATION

BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018		2017	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 315,076	2	$ 261,154	2
Financial assets at amortized cost - current (Note 8)	9,400	-	-	-
Contract assets - current (Notes 4 and 23)	2,371,089	16	-	-
Notes receivable (Notes 4, 5, 21 and 23)	99,512	1	228,349	2
Trade receivables, net (Notes 4, 5, 11, 21, 23 and 28)	619,196	4	2,453,801	17
Amounts due from customers for construction contracts (Notes 4, 5, 12 and 21)	-	-	1,060,917	7
Other receivables (Note 28)	13,267	-	20,173	-
Inventories (Notes 4, 5, 13 and 21)	824,383	5	927,566	6
Other financial assets - current (Note 29)	-	-	9,400	-
Current tax assets (Notes 4 and 25)	-	-	21,772	-
Other current assets	106,579	1	46,738	-
Total current assets	4,358,502	29	5,029,870	34
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 7)	5,121,488	34	-	-
Available-for-sale financial assets - non-current (Notes 4 and 9)	-	-	4,359,552	29
Financial assets measured at cost - non-current (Notes 4 and 10)	-	-	899,029	6
Investments accounted for using equity method (Notes 4 and 14)	3,128,512	21	2,310,334	16
Property, plant and equipment (Notes 4, 15 and 29)	1,858,486	13	1,837,619	12
Investment properties (Notes 4, 16 and 29)	307,488	2	309,773	2
Computer software at cost, net (Note 4)	8,483	-	9,431	-
Refundable deposits	11,027	-	13,398	-
Deferred tax assets (Notes 4 and 25)	15,647	-	13,559	-
Other non-current assets	118,330	1	64,573	1
Total non-current assets	10,569,461	71	9,817,268	66
TOTAL	$ 14,927,963	100	$ 14,847,138	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	$ -	-	$ 50,000	-
Short-term bills payable (Note 17)	-	-	150,000	1
Contract liabilities - current (Notes 4 and 23)	851,886	6	-	-
Notes payable, net (Note 18)	341,145	2	315,865	2
Trade payable, net (Notes 18 and 21)	1,009,542	7	1,031,618	7
Amounts due to customers for construction contracts (Notes 4, 5, 12 and 21)	-	-	819,792	6
Other payables (Notes 19 and 28)	115,485	1	113,211	1
Current tax liabilities (Notes 4 and 25)	84,749	-	49,613	-
Other current liabilities	9,252	-	127,730	1
Total current liabilities	2,412,059	16	2,657,829	18
NON-CURRENT LIABILITIES				
Net defined benefit liabilities - non-current (Notes 4 and 20)	78,011	1	82,038	1
Deferred tax liabilities (Notes 4 and 25)	65,995	-	65,995	-
Deferred revenue - non-current	648	-	-	-
Guarantee deposits received	1,647	-	1,647	-
Total non-current liabilities	146,301	1	149,680	1
Total liabilities	2,558,360	17	2,807,509	19
EQUITY (Note 22)				
Share capital				
Ordinary shares	4,054,260	27	4,054,260	27
Capital surplus	286,082	2	250,766	2
Retained earnings				
Legal reserve	1,997,893	14	1,878,545	13
Unappropriated earnings	6,128,546	41	6,076,493	41
Total retained earnings	8,126,439	55	7,955,038	54
Other equity				
Exchange differences on translating foreign operations	50	-	62	-
Unrealized gain on financial assets at fair value through other comprehensive income	207,846	1	-	-
Unrealized gain (loss) on available-for-sale financial assets	-	-	84,577	-
Total other equity	207,896	1	84,639	-
Treasury shares	(305,074)	(2)	(305,074)	(2)
Total equity	12,369,603	83	12,039,629	81
TOTAL	$ 14,927,963	100	$ 14,847,138	100

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

EVERGREEN STEEL CORPORATION

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

	2018		2017	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 23 and 28)	$ 8,657,027	100	$ 8,578,452	100
OPERATING COSTS (Notes 13, 24 and 28)	(7,747,357)	(89)	(7,833,240)	(92)
GROSS PROFIT	909,670	11	745,212	8
OPERATING EXPENSES (Notes 20 and 24)	(506,289)	(6)	(451,670)	(5)
PROFIT FROM OPERATIONS	403,381	5	293,542	3
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 24)	139,068	2	374,662	4
Other gains and (losses) (Note 24)	17,185	-	(2,469)	-
Finance costs	(4,393)	-	(1,530)	-
Share of profit of subsidiaries (Note 14)	542,737	6	562,748	7
Total non-operating income and expenses	694,597	8	933,411	11
PROFIT BEFORE INCOME TAX	1,097,978	13	1,226,953	14
INCOME TAX EXPENSE (Note 25)	(117,621)	(2)	(33,472)	-
NET PROFIT FOR THE YEAR	980,357	11	1,193,481	14
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	(18,805)	-	(24,746)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	137,949	2	-	-
Share of the other comprehensive income of subsidiaries accounted for using the equity method	(802)	-	(4,539)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 25)	6,823	-	4,207	-

(Continued)

EVERGREEN STEEL CORPORATION

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

	2018		2017	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	$ (12)	-	$ (845)	-
Unrealized (loss) gain on available-for-sale financial assets	-	-	634,482	7
Other comprehensive income for the year, net of income tax	125,153	2	608,559	7
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,105,510	13	$ 1,802,040	21

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

EVERGREEN STEEL CORPORATION

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

			Retained Earnings		Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Valuation Gain on Available-for-sale Financial Asset	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Total Equity
BALANCE AT JANUARY 1, 2017	$ 4,054,260	$ 220,747	$ 1,804,647	$ 5,671,212	$ 907	$ (549,905)	$ -	$ (305,074)	$ 10,896,794
Appropriation of 2016 earnings									
Legal reserve	-	-	73,898	(73,898)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(689,224)	-	-	-	-	(689,224)
Cash dividends from company's parent	-	30,019	-	-	-	-	-	-	30,019
Net profit for the year ended December 31, 2017	-	-	-	1,193,481	-	-	-	-	1,193,481
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	(25,078)	(845)	634,482	-	-	608,559
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	1,168,403	(845)	634,482	-	-	1,802,040
BALANCE AT DECEMBER 31, 2017	4,054,260	250,766	1,878,545	6,076,493	62	84,577	-	(305,074)	12,039,629
Effect of retrospective application and retrospective restatement	-	-	-	-	-	(84,577)	84,521	-	(56)
BALANCE AT JANUARY 1, 2018 AS RESTATED	4,054,260	250,766	1,878,545	6,076,493	62	-	84,521	(305,074)	12,039,573
Appropriation of 2017 earnings									
Legal reserve	-	-	119,348	(119,348)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(810,852)	-	-	-	-	(810,852)
Cash dividends from company's parent	-	35,316	-	-	-	-	-	-	35,316
Net profit for the year ended December 31, 2018	-	-	-	980,357	-	-	-	-	980,357
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	(12,784)	(12)	-	138,005	-	125,209
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	967,573	(12)	-	138,005	-	1,105,566
Disposals of investments in equity instruments designated as at fair value through other comprehensive income/associates disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	14,680	-	-	(14,680)	-	-
BALANCE AT DECEMBER 31, 2018	$ 4,054,260	$ 286,082	$ 1,997,893	$ 6,128,546	$ 50	$ -	$ 207,846	$ (305,074)	$ 12,369,603

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

EVERGREEN STEEL CORPORATION

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

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,097,978	$ 1,226,953
Adjustments for:		
Depreciation expenses (investment properties included)	89,282	96,576
Amortization expenses	7,485	5,363
Impairment loss recognized on trade receivables	-	128
Finance costs	4,393	1,530
Share of profit of subsidiaries	(542,737)	(562,748)
Interest income	(2,395)	(2,735)
Dividend income	(94,973)	(107,595)
Gain on disposal of property, plant and equipment	(12,710)	(784)
Realized gain on the transactions with subsidiaries	(1,273)	(1,273)
Loss from disasters	3,082	-
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable	128,837	(133,781)
Decrease (increase) in trade receivables	637,403	(321,451)
Increase in contract assets	(112,970)	-
Decrease in amounts due from customers for construction contracts	-	277,767
Decrease (increase) in other receivables	28,630	(11,439)
Decrease (increase) in inventories	100,707	(349,428)
(Increase) decrease in other current assets	(59,842)	22,289
Increase (decrease) in notes payables	25,280	(18,588)
(Decrease) increase in trade payables	(22,076)	216,308
Increase in contract liabilities	32,094	-
Decrease in amount due to customers for construction contracts	-	(138,088)
Increase (decrease) in other payables	2,277	(18,812)
(Decrease) increase in other current liabilities	(118,478)	27,866
Decrease in net defined benefit liabilities	(22,832)	(22,641)
Increase in deferred revenue	648	-
Cash generated from operations	1,167,810	185,417
Interest received	2,443	2,673
Interest paid	(4,396)	(1,908)
Income tax paid	(77,750)	(16,321)
Net cash generated from operating activities	1,088,107	169,861
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in other financial assets	-	(100)
Purchase of financial assets at fair value through other comprehensive income	(22,065)	-
Proceeds from sale of financial assets at fair value through other comprehensive income	289,573	-
Purchase of available-for-sale financial assets	-	(67,320)
Purchase of financial assets measured at cost	-	(160)
Payments for property, plant and equipment	(150,724)	(93,848)

(Continued)

EVERGREEN STEEL CORPORATION

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

	2018	2017
Payments for intangible assets	$ (6,537)	$ (7,196)
Proceeds from disposal of property, plant and equipment	54,180	-
Decrease in refundable deposits	2,371	1,866
(Increase) decrease in other non-current assets	(53,757)	37,400
Acquisition of investments accounted for using equity method (Note 14)	(700,000)	-
Other dividends received	94,973	107,595
Dividends received from subsidiaries	468,653	495,614
Net cash (used in) generated from investing activities	(23,333)	473,851
CASH FLOWS FROM FINANCING ACTIVITIES		
(Proceeds from) repayments of bills payable	(150,000)	150,000
(Proceeds from) repayments of short-term borrowings	(50,000)	50,000
Repayments of long-term borrowings	-	(60,000)
Decrease in guarantee deposits	-	(25)
Dividends paid to owners of the Company	(810,852)	(689,224)
Net cash used in financing activities	(1,010,852)	(549,249)
NET INCREASE IN CASH AND CASH EQUIVALENTS	53,922	94,463
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	261,154	166,691
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 315,076	$ 261,154

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

EVERGREEN STEEL CORPORATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Evergreen Steel Corporation ("the Company" formerly Evergreen Heavy Industrial Corporation, which was later renamed Evergreen E-Services Corporation and Evergreen Development Corporation) was incorporated in January 1973 as a company limited by shares under the Company Law of the Republic of China. The Company merged with Evergreen Superior Alloys Corporation on August 31, 1990. In 1993, the superior alloys division and related assets were transferred or sold to Gloria Material Technology Corporation (formerly Gloria Heavy Industrial Corporation). The Company merged with Ever Pioneer Steel Corporation on October 31, 1998. In 1998, management decided to discontinue the operations of the container production division. On September 30, 2009, the Company merged with Green Steel Structure Corporation by issuing 4,993 thousand shares to acquire a minority interest's holding of 5.72%. In this merger, the Company was the survivor entity. In July 2018, the Company decided to transfer steel bars division to steel structures division.

The Company repairs containers and manufactures and sells steel bars, steel structures and related components.

The financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors on March 14, 2019.

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

a. Initial application of the amendments to the Regulation on Business Entity Accounting Handling, the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   Starting from 2018, the Company has applied the amendments to the Regulation on Business Entity Accounting Handling. Except for those investments in subsidiaries, associates and joint ventures accounted for using the equity method, the Company voluntarily applies some of the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers to prepare the financial statements, including the IFRSs endorsed and issued into effect by the FSC and the requirements for the recognition, measurement, presentation and disclosure for some accounting items.

Except for the following, whenever applied, the initial application of the amendments to the Regulation on Business Entity Accounting Handling, the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Company's accounting policies:

1) IFRS 9 "Financial Instruments" and related amendments

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

Classification, measurement, and impairment of financial assets

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

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

	Measurement Category		Carrying Amount		
Financial Assets	**IAS 39**	**IFRS 9**	**IAS 39**	**IFRS 9**	**Remarks**
Cash and cash equivalents	Loans and receivables	Amortized cost	$ 261,154	$ 261,154	a)
Entity security	Available-for-sale	Fair value through other comprehensive income (FVTOCI) - equity instruments	5,258,581	5,258,581	b)
Notes receivable, trade receivables and other receivables	Loans and receivables	Amortized cost	2,702,323	2,702,323	a)
Financial assets pledged	Other financial assets	Amortized cost	9,400	9,400	c)

Financial Assets	IAS 39 Carrying Amount as of January 1, 2018	Reclassifications	Remeasurement	IFRS 9 Carrying Amount as of January 1, 2018	Retained Earnings Effect on January 1, 2018	Other Equity Effect on January 1, 2018	Remarks
FVTOCI	$ -						
Equity instruments							
Add: Reclassification from available-for-sale (IAS 39)	-	$ 5,258,581	$ -				
	-	5,258,581	-	$ 5,258,581	$ -	$ -	b)
Investments accounted for using the equity method	2,310,334	-	(56)	-	-	(56)	d)
	$ 2,310,334	$ 5,258,581	$ (56)	$ 5,258,581	$ -	$ (56)	

a) Cash and cash equivalents, notes receivable, trade receivables (including trade receivables from related parties) and other receivables that were classified as loans and receivables under IAS 39 were classified as measured at amortized cost with an assessment of expected credit losses under IFRS 9.

b) The Company elected to designate all its investments in equity securities previously classified as available-for-sale under IAS 39 as at FVTOCI under IFRS 9. As a result, the related other equity - unrealized gain (loss) on available-for-sale financial assets of $84,577 thousand was reclassified to other equity - unrealized gain (loss) on financial assets at FVTOCI.

Investments in unlisted shares previously measured at cost under IAS 39 have been designated as at FVTOCI under IFRS 9, and were remeasured at fair value.

c) Pledged financial assets that were previously classified as other financial assets under IAS 39 were classified as measured at amortized cost under IFRS 9.

d) As a result of retrospective application of IFRS 9 by associates, there was a decrease in other equity - unrealized gain (loss) on financial assets at FVTOCI of $56 thousand on January 1, 2018.

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

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

If the customer has retained a portion of payment to the Company in accordance with the terms of the contract in order to protect the customer from the contractor’s possible failure to adequately complete its obligations under the contract, such payment arrangement does not include a significant financing component and is recognized as a contract asset before the contractual obligation is completed under IFRS 15. Prior to the application of IFRS 15, retention receivables under construction contracts were recognized as receivables and discounted to reflect the time value of money in accordance with IAS 39.

Under IFRS 15, the net effect of revenue recognized and consideration received and receivable is recognized as a contract asset or a contract liability. Prior to the application of IFRS 15, the net effect of the progress billings, the costs incurred and the recognized profit (loss) of construction contracts were recognized as amounts due from (to) customers for construction contracts under IAS 11.

If a contract with a customer becomes loss, the Company recognizes the impairment of the related inventories or provisions for the onerous contract. Prior to the application of IFRS 15, expected losses on construction contracts were recognized and adjusted to the amounts due from (to) customers for construction contracts under IAS 11.

The Company elected only to retrospectively apply IFRS 15 to contracts that were not complete as of January 1, 2018 and recognize the cumulative effect of the change in retained earnings on January 1, 2018.

<u>Impact on assets, liabilities and equity for prior year</u>

	As Originally Stated	**Adjustments Arising from Initial Application**	**Restated**
Trade receivables, net	$ 2,453,801	$ (1,243,950)	$ 1,209,851
Amounts due from customers for construction contracts	1,060,917	(1,060,917)	-
Contract assets - current	-	2,304,867	2,304,867
Total effect on assets	$ 3,514,718	$ -	$ 3,514,718
Amounts due to customers for construction contracts	$ 819,792	$ (819,792)	$ -
Contract liability - current	-	819,792	819,792
Total effect on liabilities	$ 819,792	$ -	$ 819,792

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

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

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

Note 2: The FSC permits the election for early adoption of the amendments starting from 2018.

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

- IFRS 16 "Leases"

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

Definition of a lease

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

The Company as lessee

Upon initial application of IFRS 16, the Company will recognize right-of-use assets and lease liabilities for all leases on the balance sheets except for those whose payments under low-value assets and short-term leases will be recognized as expenses on a straight-line basis. On the statements of comprehensive income, the Company will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities. Currently, payments under operating lease contracts are recognized as expenses on a straight-line basis. Cash flows for operating leases are classified within operating activities on the statements of cash flows. Leased assets and finance lease payables are recognized for contracts classified as finance leases.

The Company anticipates applying IFRS 16 retrospectively. Comparative information will not be restated.

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

The Company expects to apply the following practical expedients:

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

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

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

For leases currently classified as finance leases under IAS 17, the carrying amount of right-of-use assets and lease liabilities on January 1, 2019 will be determined as the carrying amount of the leased assets and finance lease payables as of December 31, 2018.

The Company as lessor

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

Anticipated impact on assets, liabilities and equity

	Carrying Amount as of December 31, 2018	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2019
Right of use Assets	$ -	$ 29,718	$ 29,718
Total effect on assets	$ -	$ 29,718	$ 29,718
Lease liabilities - current	$ -	$ 10,004	$ 10,004
Lease liabilities - non-current	-	19,714	19,714
Total effect on liabilities	$ -	$ 29,718	$ 29,718

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

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

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

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

Note 2: The Company shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

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

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company'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 Company's financial statements have been prepared in accordance with the Business Entity Accounting Act, Regulation on Business Entity Accounting Handling and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The Company's financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. Historical cost are determined by assets acquired at fair value of the consideration paid.

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 twelve months after the reporting period; and

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

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

d. Foreign currencies

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

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

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

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

For the purpose of presenting financial statements, the functional currencies of the Company are translated into the presentation currency - New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

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. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

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

Subsidiary is an entity that is controlled by the Company.

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

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

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes 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.

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

g. Property, plant and equipment

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

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

On derecognition of an 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.

h. Investment properties

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

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation. 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.

i. 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 life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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 are recognized in profit or loss.

j. Impairment of tangible and intangible assets

At the end of each reporting period, the Company 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

<u>2018</u>

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

i. Financial assets at amortized cost

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

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

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

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

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

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

ii. Investments in equity instruments at FVTOCI

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

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

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

2017

Financial assets are classified into the following categories: Available-for-sale financial assets and loans and receivables.

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

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

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

ii. Loans and receivables

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

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

b) Impairment of financial assets

2018

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in equity instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

2017

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

For financial assets carried at amortized cost, such as account receivables and other receivable, assets 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 Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets 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 measured 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.

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

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, the 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 the financial asset is reduced by the impairment loss directly for all financial assets with the exception of account receivables and other receivables where the carrying amount is reduced through the use of an allowance account. When an account receivable and other receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible account receivables and other receivables that are written off against the allowance account.

c) Derecognition of financial assets

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

Before 2017, on derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. Starting from 2018, on derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company 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 Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company’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, issue or cancellation of the Company’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

l. Revenue recognition

2018

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

1) Revenue from sale of goods

Revenue from sale of goods comes from manufacture and sales of steel bars. Sales of goods are recognized as revenue when the goods are shipped or delivered to customer because that is the time customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

2) Construction contracts revenue

The Company recognizes revenue over time while they are construction in progress. The Company measures the progress on the basis of completed output and installation units relative to the total contract output units or costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations and recognizes revenue and costs after the customer accept. Contract assets are recognized during the construction and are reclassified to trade receivables at the point at which the customer is invoiced. If the milestone payments exceed the obligation to date, then the Company recognizes contract liabilities for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Company adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Company satisfies its performance obligations.

2017

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

1) Sale of goods

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

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

   b) The Company 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 Company; 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 the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company 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 Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3) Construction contracts

   When the outcome of a construction contract (including construction or upgrade services of infrastructure under service concession arrangement) can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent the amount can be measured reliably and its receipt is considered probable.

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

   When contract costs incurred to date plus recognized profits less recognized losses exceed progress billings, the surplus is shown as amounts due from customers for construction contracts. For contracts where progress billings exceed contract costs incurred to date plus recognized profits less recognized losses, the surplus is shown as the amounts due to customers for construction contracts. Amounts received before the related work is performed are included in the balance sheet, as a liability. Amounts billed for work performed but not yet paid by the customer are included in the balance sheet under trade receivables.

m. 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 service.

2) Retirement benefits

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

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

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

n. Taxation

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

1) Current tax

According to the Income Tax Law, an additional tax of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the 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 to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a. Business model assessment for financial assets - 2018

The Company determines the business model at a level that reflects how companies of financial assets are managed together to achieve a particular business objective. The Company monitors financial assets measured at amortized cost or at fair value through other comprehensive income, and when assets are derecognized prior to their maturity, the Company understands the reasons for their disposal and whether the reasons are consistent with the objective of the business for which the assets were held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and, if it is not appropriate, whether there has been a change in the business model such that a prospective change to the classification of those assets is proper.

b. Estimated impairment of financial assets - 2018

The provision for impairment of trade receivables and accounts receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 11. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

c. Estimated impairment of trade receivables - 2017

When there is objective evidence of impairment loss, the Company takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

d. Write-down of inventory

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

e. Recognition and measurement of defined benefit plans

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

f. Construction contract

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. For contracts to which IFRS 15 is applicable, incentives and penalties are considered as variable consideration and should be included in the contract revenue only when it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The estimated total contract costs and contractual items are assessed and determined by management, based on the nature of the work, expected sub-contracting charges, construction periods, processes, methods, etc., for each construction contract. Changes in these estimates might affect the calculation of the percentage of completion and related profit and loss from the construction contracts. Refer to Note 12 and 23 for related information.

6. CASH

	December 31	
	2018	**2017**
Cash on hand	$ 2,800	$ 2,817
Checking accounts and demand deposits	242,476	87,987
Cash equivalent		
Time deposits	69,800	170,350
	$ 315,076	$ 261,154

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

	December 31, 2018
Current	
Domestic investments	
Listed shares and emerging market shares	$ 4,222,459
Unlisted shares	699,029
Foreign investments	
Unlisted shares	200,000
	$ 5,121,488

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. These investments in equity instruments were classified as available-for-sale under IAS 39. Refer to Notes 3, 9 and 10 for information related to their reclassification and comparative information for 2017.

The Company sold the investment parts for risk spreading in 2018, and transferred a gain of $14,602 thousand from other equity to retained earnings.

8. FINANCIAL ASSETS AT AMORTIZED COST - 2018

	December 31, 2018
Current	
Time deposits with original maturity of more than 3 months	$ 9,400

a. The interest rates for time deposits with original maturity of more than 3 months were from 0.13% to 1.065% as at the end of the reporting period. The time deposits were classified as other financial instruments with no active market under IAS 39. Refer to Note 3 for information relating to their reclassification and comparative information for 2017.

b. Refer to Note 29 for information relating to investments in financial assets at amortized cost pledged as security.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31, 2017
Non-current	
Domestic investments	
Listed shares and emerging market shares	$ 4,359,552

10. FINANCIAL ASSETS MEASURED AT COST

	December 31, 2017
Non-current	
Domestic unlisted common shares	$ 699,029
Overseas unlisted common shares	200,000
	$ 899,029
Classified according to financial assets measurement categories	
Available-for-sale financial assets	$ 899,029

Management believed that the above unlisted equity investments held by the Company, whose fair value cannot be reliably measured due to the range of reasonable fair value estimates was so significant; therefore they were measured at cost less impairment at the end of reporting period.

Tung Ting Gas Corporation ("TTG"), the Company's investee company, was dissolved after the merger with CPC Corporation ("CPC"). The merger was approved in compliance with the Enterprise Mergers and Acquisitions Law in the special shareholder's meeting, on December 6, 2016. The Company received $226,693 thousand as the consideration in March 2017 and the disposal gain was included in other income in the comprehensive income statement.

11. TRADE RECEIVABLES

	December 31	
	2018	2017
Trade receivables		
At amortized cost		
Gross carrying amount	$ 633,245	$ 2,516,785
Less: Allowance for impairment loss	(14,049)	(62,984)
	$ 619,196	$ 2,453,801

2018

The average credit period on sales of goods was 0 to 120 days. In determining the recoverability of a trade receivable, the Company considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Trade receivables included retentions receivable from construction contracts which are not bearing interest and are expected to remain as receivables until the conditions specified in each contract are satisfied for the payment of such amounts during the retention periods, which are within the normal operating cycle of the Company, usually more than twelve months after the reporting period. Refer to Note 21 for maturity analysis of retentions receivable. The Company applied IFRS 15 and recognized retention receivables under construction contracts as contract assets from January 1, 2018.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial positions

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivable, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 730 days past due, whichever occurs earlier. For trade receivables that have been write off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2018

	Amount without Sign of Default				Amount with Sign of Default	Total
	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days		
Expected credit loss rate	1%-2%	1%-2%	1%-2%	1%-2%	100%	-
Gross carrying amount	$ 619,699	$ 9,539	$ 23	$ 59	$ 3,925	$ 633,245
Loss allowance (Lifetime ECL)	(9,969)	(154)	-	(1)	(3,925)	(14,049)
Amortized cost	$ 609,730	$ 9,385	$ 23	$ 58	$ -	$ 619,196

The above aging schedule was based on the ledger date. The movements of the loss allowance of trade receivables were as follows:

	2018
Balance at January 1, 2018 per IAS 39	$ 62,984
Adjustment on initial application of IFRS 15 (transferred to contract assets)	(49,835)
Balance at January 1, 2018 per IFRS 9	13,149
Add: Net remeasurement of loss allowance	1,028
Less: Amounts written off	(128)
Balance at December 31, 2018	$ 14,049

2017

The Company applied the same credit policy in 2018 and 2017. The average credit period on sales of goods was 0 to 120 days. In determining the recoverability of a trade receivable, the Company considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Trade receivables included retentions receivable from construction contracts which are not bearing interest and are expected to remain as receivables until the conditions specified in each contract are satisfied for the payment of such amounts during the retention periods, which are within the normal operating cycle of the Company, usually more than twelve months after the reporting period. Refer to Note 21 for maturity analysis of retentions receivable.

The aging of receivables was as follows:

	December 31, 2017
Less than 60 days	$ 1,354,828
61- 90 days	179,631
91-120 days	2,345
121 days and above	979,981
	$ 2,516,785

The above aging schedule was based on the ledger date.

Impairment loss based on past due or impaired trade receivables are fully recognized.

The movements of the allowance for doubtful trade receivables were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2017	$ 16,913	$ 45,943	$ 62,856
Add: Impairment losses recognized on receivables	128	-	128
Balance at December 31, 2017	$ 17,041	$ 45,943	$ 62,984

12. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONSTRUCTION CONTRACTS - 2017

	December 31, 2017
Amount due from customers for construction contracts	
Construction costs incurred plus recognized profits less recognized losses to date	$ 16,570,711
Less: Progress billings	(15,509,794)
Amount due from customers for construction contracts	$ 1,060,917
Amount due to customers for construction contracts	
Progress billings	$ 16,329,586
Less: Construction costs incurred plus recognized profits less recognized losses to date	(15,509,794)
Amount due to customers for construction contracts	$ 819,792
Retentions receivable (Note 11)	$ 1,243,950
Retentions payable (Note 18)	$ 385,951

Refer to Note 21 for details on analysis of construction contracts.

13. INVENTORIES

	December 31 2018	December 31 2017
Finished goods	$ -	$ 269,475
Work-in-process goods	-	7,655
Raw materials - steel structure industry	812,601	374,447
Raw materials - manufacturing industry	1,859	243,527
Material parts	9,923	32,462
	$ 824,383	$ 927,566

The cost of inventories excluding the steel structure industry recognized as cost of goods sold for the years ended December 31, 2018 and 2017 was $2,880,828 thousand and $2,419,503 thousand, respectively.

In July 2018, the Company decided to transfer steel bars division to steel structures division, leading loss of $20,779 thousand from the effect of original sales contract to be recognized as operating costs.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Subsidiaries

Name of Subsidiaries	December 31 2018	December 31 2017
Hsin Yung Enterprise Corporation	$ 1,609,844	$ 1,585,252
Super Max Engineering Enterprise Co., Ltd.	615,396	528,524
Ming Yu Investment Corporation	212,694	196,558
Ever Ecove Corporation	690,578	-
	$ 3,128,512	$ 2,310,334

	Proportion of Ownership and Voting Rights	
	December 31	
	2018	2017
Hsin Yung Enterprise Corporation	68.46%	68.46%
Super Max Engineering Enterprise Co., Ltd.	48.12%	48.12%
Ming Yu Investment Corporation	100.00%	100.00%
Ever Ecove Corporation	70.00%	-

The investments in subsidiaries accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2018 and 2017 was based on the subsidiaries' audited financial statements for the same years.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2017	$ 1,178,429	$ 120,276	$ 1,103,026	$ 1,021,957	$ 55,475	$ 36,498	$ 3,515,661
Additions	-	-	317	288	5,735	3,296	9,635
Disposals	-	-	(67)	(2,997)	-	(122)	(3,186)
Reclassification	-	3,370	29,965	45,525	-	5,352	84,213
Balance at December 31, 2017	$ 1,178,429	$ 123,646	$ 1,133,241	$ 1,064,773	$ 61,210	$ 45,024	$ 3,606,323
Accumulated depreciation and impairment							
Balance at January 1, 2017	$ -	$ 116,279	$ 719,094	$ 782,082	$ 37,786	$ 22,385	$ 1,677,626
Disposals	-	-	(67)	(2,997)	-	(122)	(3,186)
Depreciation expenses	-	1,498	35,148	45,973	5,538	6,107	94,264
Balance at December 31, 2017	$ -	$ 117,777	$ 754,175	$ 825,058	$ 43,324	$ 28,370	$ 1,768,704
Carrying amounts at December 31, 2017	$ 1,178,429	$ 5,869	$ 379,066	$ 239,715	$ 17,886	$ 16,654	$ 1,837,619
Cost							
Balance at January 1, 2018	$ 1,178,429	$ 123,646	$ 1,133,241	$ 1,064,773	$ 61,210	$ 45,024	$ 3,606,323
Additions	-	3,090	1,230	6,010	1,770	736	12,836
Disposals	-	-	(8,936)	(612,286)	(6,790)	(1,860)	(629,872)
Reclassification	-	-	12,194	117,346	7,863	485	137,888
Balance at December 31, 2018	$ 1,178,429	$ 126,736	$ 1,137,729	$ 575,843	$ 64,053	$ 44,385	$ 3,127,175
Accumulated depreciation and impairment							
Balance at January 1, 2018	$ -	$ 117,777	$ 754,175	$ 825,058	$ 43,324	$ 28,370	$ 1,768,704
Disposals	-	-	(8,665)	(569,858)	(6,790)	(1,699)	(587,012)
Depreciation expenses	-	1,165	27,034	47,431	5,550	5,817	86,997
Balance at December 31, 2018	$ -	$ 118,942	$ 772,544	$ 302,631	$ 42,084	$ 32,488	$ 1,268,689
Carrying amounts at December 31, 2018	$ 1,178,429	$ 7,794	$ 365,185	$ 273,212	$ 21,969	$ 11,897	$ 1,858,486

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

Land Improvements	3-25 years
Buildings	3-55 years
Machinery and equipment	3-10 years
Transportation equipment	5 years
Other equipment	3-5 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 29.

16. INVESTMENT PROPERTIES

	Amount
Cost	
Balance at January 1, 2017	$ 514,076
Additions	-
Balance at December 31, 2017	$ 514,076
Accumulated depreciation and impairment	
Balance at January 1, 2017	$ (201,991)
Depreciation expenses	(2,312)
Reclassification	-
Balance at December 31, 2017	$ (204,303)
Carrying amounts at December 31, 2017	$ 309,773
Cost	
Balance at January 1, 2018	$ 514,076
Additions	-
Balance at December 31, 2018	$ 514,076
Accumulated depreciation and impairment	
Balance at January 1, 2018	$ (204,303)
Depreciation expenses	(2,285)
Reclassification	-
Balance at December 31, 2018	$ (206,588)
Carrying amounts at December 31, 2018	$ 307,488

The investment properties were depreciated using the straight-line method over 6-50 years.

The valuation was arrived by reference to market evidence of transaction prices for similar properties, it is fair value is as followed:

	December 31	
	2018	**2017**
Fair value	$ 451,714	$ 447,079

All of the Company's investment property were held under freehold interests. The investment properties pledged as collateral for bank borrowings were set out in Note 29.

17. BORROWINGS

a. Short-term borrowings

	December 31	
	2018	2017
Unsecured borrowings		
Line of credit borrowings	$ -	$ 50,000

The interest rate on bank loans was 0.85% per annum as of December 31, 2017.

b. Short-term bills payable

	December 31	
	2018	2017
Commercial paper	$ -	$ 150,000

Outstanding short-term bills payable were as follows:

December 31, 2018

None.

December 31, 2017

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate
Commercial paper				
China Bills Finance Corporation	$ 50,000	$ -	$ 50,000	0.878%
Mega Bills Finance Co., Ltd.	50,000	-	50,000	0.878%
International Bills Finance Corporation	50,000	-	50,000	0.878%
	$ 150,000	$ -	$ 150,000	

18. TRADE PAYABLES

The average credit period on purchases of certain goods was 30 to 90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Retentions payable on construction contracts which are included in trade payables and are not bearing interest and are expected to be paid at the end of retention periods, which are within the normal operating cycle of the Company, usually more than twelve months after the reporting period. Refer to Note 21 for maturity analysis of retentions payable.

19. OTHER LIABILITIES

	December 31	
	2018	2017
Current		
Other payables		
Payable for transportation fees	$ 26,037	$ 21,224
Payable for annual leave	23,051	20,551
Payable for employees' compensation and remuneration of directors and supervisors	12,659	16,356
Payable for insurance expenses	9,967	9,166
Payable for repairs and maintenance	9,039	8,978
Payable for salaries or bonus	2,712	3,153
Payable for professional fees	2,540	2,447
Payable for sales tax	2,179	4,155
Others	27,301	27,181
	$ 115,485	$ 113,211

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 6% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

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

	December 31	
	2018	2017
Present value of defined benefit obligation	$ 364,248	$ 361,486
Fair value of plan assets	(286,237)	(279,448)
Net defined benefit liability	$ 78,011	$ 82,038

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Balance at January 1, 2017	$ 340,497	$ (260,564)	$ 79,933
Service cost			
Current service cost	6,484	-	6,484
Net interest expense (income)	3,831	(3,098)	7,33
Recognized in profit or loss	10,315	(3,098)	7,217
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	551	551
Actuarial loss - changes in demographic assumptions	14,726	-	14,726
Actuarial loss - experience adjustments	9,469	-	9,469
Recognized in other comprehensive income	24,195	551	24,746
Contributions from the employer	-	(28,293)	(28,293)
Benefits paid	(11,956)	11,956	-
Company paid	(1,565)	-	(1,565)
Balance at December 31, 2017	$ 361,486	$ (279,448)	$ 82,038
Balance at January 1, 2018	$ 361,486	$ (279,448)	$ 82,038
Service cost			
Current service cost	6,304	-	6,304
Net interest expense (income)	4,066	(3,304)	762
Recognized in profit or loss	10,370	(3,304)	7,066
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,646)	(7,646)
Actuarial loss - changes in demographic assumptions	12,037	-	12,037
Actuarial loss - changes in financial assumptions	3,908	-	3,908
Actuarial loss - experience adjustments	10,506	-	10,506
Recognized in other comprehensive income	26,451	(7,646)	18,805
Contributions from the employer	-	(28,259)	(28,259)
Benefits paid	(32,420)	32,420	-
Company paid	(1,639)	-	(1,639)
Balance at December 31, 2018	$ 364,248	$ (286,237)	$ 78,011

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2018	2017
Operating cost	$ 3,264	$ 3,871
Operating expenses	3,802	3,346
	$ 7,066	$ 7,217

Through the defined benefit plans under the Labor Standards Law, the Company 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	
	2018	**2017**
Discount rate(s)	1%	1.125%
Expected rate(s) of salary increase	2%	2%
Turnover rate	4%-10%	1.5%-15.0%

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 decrease/increase as follows:

	December 31	
	2018	**2017**
Discount rate(s)		
0.25% increase	$ (8,136)	$ (8,092)
0.25% decrease	$ 8,425	$ 8,377
Expected rate(s) of salary increase		
0.25% increase	$ 8,196	$ 8,158
0.25% decrease	$ (7,957)	$ (7,921)

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

	December 31	
	2018	**2017**
The expected contributions to the plan for the next year	$ 27,574	$ 28,704
The average duration of the defined benefit obligation	9.3 years	9.3 years

21. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current/non-current classification of the Company's assets and liabilities relating to steel structure business was based on its operating cycle. The amount expected to be recovered or settled within one year after reporting period and more than one year after reporting period for related assets and liabilities are as follows:

	Within 1 Year	More Than 1 Year	Total
December 31, 2018			
Assets			
Notes receivable	$ 99,257	$ -	$ 99,257
Trade receivables	579,577	-	579,577
Inventory	821,362	-	821,362
Contracts assets - current	1,499,102	871,987	2,371,089
	$ 2,999,298	$ 871,987	$ 3,871,285
Liabilities			
Trade payables	$ 676,304	$ 217,854	$ 894,158
Contracts liabilities - current	632,907	218,979	851,886
	$ 1,309,211	$ 436,833	$ 1,746,044
December 31, 2017			
Assets			
Notes receivable	$ 204,286	$ -	$ 204,286
Trade receivables	1,252,004	296,853	1,548,857
Inventory	384,965	-	384,965
Amount due from customers for construction contracts	644,641	416,276	1,060,917
	$ 2,485,896	$ 713,129	$ 3,199,025
Liabilities			
Trade payables	$ 605,797	$ 184,030	$ 789,827
Amount due to customers for construction contracts	642,193	177,599	819,792
	$ 1,247,990	$ 361,629	$ 1,609,619

22. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2018	2017
Number of shares authorized (in thousands)	440,000	440,000
Shares authorized	$ 4,440,000	$ 4,400,000
Number of shares issued and fully paid (in thousands)	405,426	405,426
Shares issued	$ 4,054,260	$ 4,054,260

b. Capital surplus

	December 31	
	2018	2017
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Arising from treasury share transactions (1)	$ 233,346	$ 198,030
Arising from consolidation excess (2)	52,736	52,736
	$ 286,082	$ 250,766

1) Such capital surplus may only be used to offset a deficit.

2) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as 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 Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration of directors and supervisors before and after amendment, please refer to e. employee benefits expense in Note 24.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2017 and 2016 have been approved in the shareholders' meetings on May 29, 2018 and May 26, 2017, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31	
	2017	2016	2017	2016
Legal reserve	$ 119,348	$ 73,898	$ -	$ -
Cash dividends	810,852	689,224	2	1.7

The appropriations of earnings for 2018 had been proposed by the Company's board of directors on March 14, 2019. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 98,036	$ -
Cash dividends	810,852	2

The appropriations of earnings for 2018 are subject to the resolution of the shareholders' meeting to be held on May 30, 2019.

d. Treasury shares

The Company's shares held by its subsidiaries at the end of December 31, 2018 and 2017 were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount
Ming Yu Investment Corporation	17,658	$ 305,074

The Company shall not exercise shareholders' rights on these shares, such as rights to dividends and to vote. The subsidiaries holding treasury shares, however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

23. REVENUE

	For the Year Ended December 31	
	2018	2017
Revenue from the sale of goods	$ 2,902,754	$ 2,489,726
Construction contract revenue	5,754,273	6,088,726
	$ 8,657,027	$ 8,578,452

a. Contact balances

	December 31, 2018
Notes and trade receivables (include related parties) (Note 21)	$ 678,834
Contract assets	
Properties construction	$ 1,173,887
Retention receivable	1,246,009
Less: Allowance for impairment loss	(48,807)
Contract assets - current	$ 2,371,089
Contract liabilities	
Properties construction	$ 851,886

b. Partially completed contracts

The transaction prices, excluding any estimated amounts of variable consideration that are constrained, allocated to the performance obligations that are not fully satisfied and the expected timing for recognition of revenue are as follows.

	December 31, 2018
Property construction contracts	
In 2019	$ 6,147,121
In 2020	3,477,373
From 2021 to after years	312,098
	$ 9,936,592

24. NET PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS

Net Profit (Loss) from Continuing Operations

a. Other income

	For the Year Ended December 31	
	2018	2017
Dividends	$ 94,973	$ 107,595
Rental income	15,760	12,643
Interest income	2,395	2,735
Others	25,940	251,689
	$ 139,068	$ 374,662

b. Other gains and losses

	For the Year Ended December 31	
	2018	2017
Gain on disposal of property, plant and equipment	$ 12,710	$ 784
Net foreign exchange gains/(losses)	152	(2,311)
Compensation income	8,211	-
Loss from disaster	(2,630)	-
Others	(1,258)	(942)
	$ 17,185	$ (2,469)

c. Depreciation and amortization

	For the Year Ended December 31	
	2018	2017
Property, plant and equipment	$ 86,997	$ 94,264
Investment property	2,285	2,312
Intangible assets	7,485	5,363
	$ 96,767	$ 101,939
An analysis of deprecation by function		
Operating costs	$ 81,929	$ 91,482
Operating expenses	7,353	5,094
	$ 89,282	$ 96,576
An analysis of amortization by function		
Operating costs	$ 4,197	$ 3,371
Operating expenses	3,288	1,992
	$ 7,485	$ 5,363

d. Employee benefits expense

	For the Year Ended December 31	
	2018	2017
Post-employment benefits		
Defined contribution plans	$ 12,271	$ 11,525
Defined benefit plans (Note 20)	7,066	7,217
Other employee benefits	464,495	448,210
Total employee benefits expense	$ 483,832	$ 466,952
An analysis of employee benefits expense by function		
Operating costs	$ 236,710	$ 241,702
Operating expenses	247,122	225,250
	$ 483,832	$ 466,952

e. Employees' compensation and remuneration of directors and supervisors for 2018 and 2017

In compliance with the Company's Articles of Incorporation, the amendments stipulate the distribution of employees' compensation and remuneration to directors and supervisors at rates of no less than 0.5% and no higher than 2%, respectively, of net profit before income tax, employees' compensation and remuneration of directors and supervisors. The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2018 and 2017 which have been approved by the Company's board of directors on March 14, 2019 and March 20, 2018, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2018	**2017**
Employees' compensation	0.51%	0.51%
Remuneration of directors and supervisors	0.63%	0.56%

Amount

	For the Year Ended December 31	
	2018	**2017**
	Cash	**Cash**
Employees' compensation	$ 5,659	$ 6,356
Remuneration of directors and supervisors	7,000	7,000

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

The Company held a board of directors' meeting on March 20, 2018 and March 29, 2017, and those meetings that resulted in the actual amounts of the remuneration of directors and supervisors paid for 2017 and 2016 to differ from the amounts recognized in the financial statements for the years ended December 31, 2017 and 2016, respectively. The differences were adjusted to profit and loss for the years ended December 31, 2018 and 2017.

	For the Year Ended December 31			
	2018		**2017**	
	Employees' Compensation	**Remuneration of Directors and Supervisors**	**Employees' Compensation**	**Remuneration of Directors and Supervisors**
Amounts approved in the board of directors' meeting	$ 6,356	$ 7,000	$ 5,032	$ 7,000
Amounts recognized in the annual financial statements	$ 6,356	$ 10,000	$ 5,032	$ 14,400

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	For the Year Ended December 31	
	2018	2017
Current tax		
In respect of the current year	$ 89,061	$ 56,101
Income tax on an additional tax of unappropriated earnings	23,820	-
Adjustments for prior years	5	(25,491)
	112,886	30,610
Deferred tax		
In respect of the current year	4,066	2,862
Effects of tax rate changes	669	-
Income tax expense recognized in profit or loss	$ 117,621	$ 33,472

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

	For the Year Ended December 31	
	2018	2017
Profit before tax from continuing operations	$ 1,097,978	$ 1,226,953
Income tax expense calculated at the statutory rate	$ 219,596	$ 208,582
Nondeductible expenses in determining taxable income	(23)	(19)
Tax-exempt income	(127,542)	(119,762)
Income tax on an additional tax of unappropriated earnings	23,820	-
Unrecognized deductible temporary differences	1,096	(29,838)
Effects of tax rate changes	669	-
Adjustments for prior years' tax	5	(25,491)
Income tax expense recognized in profit or loss	$ 117,621	$ 33,472

In 2017, the applicable corporate income tax rate used by the Company in the ROC is 17%. However, the Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%, effective in 2018. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings will be reduced from 10% to 5%.

As the status of 2019 appropriations of earnings is uncertain, the potential income tax consequences of 5% additional income tax rate of the 2018 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2018	2017
Deferred tax		
Effect of change in tax rate	$ (3,062)	$ -
In respect of the current period		
Remeasurement of defined benefit plans	(3,761)	(4,207)
Total income tax recognized in other comprehensive income	$ (6,823)	$ (4,207)

c. Current tax assets and liabilities

	December 31	
	2018	2017
Current tax assets		
Tax refund receivable	$ -	$ 21,772
Current tax liabilities		
Income tax payable	$ 84,749	$ 49,613

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit plans	$ 10,066	$ (5,852)	$ 6,823	$ 11,037
Payable for annual leave	3,493	1,117	-	4,610
	$ 13,559	$ (4,735)	$ 6,823	$ 15,647
Deferred tax liabilities				
Temporary differences				
Reserve for land value increment tax	$ 65,995	$ -	$ -	$ 65,995

For the year ended December 31, 2017

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit plans	$ 9,708	$ (3,849)	$ 4,207	$ 10,066
Payable for annual leave	2,506	987	-	3,493
	$ 12,214	$ (2,862)	$ 4,207	$ 13,559
Deferred tax liabilities				
Temporary differences				
Reserve for land value increment tax	$ 65,995	$ -	$ -	$ 65,995

e. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2018	**2017**
Deductible temporary differences		
Bad debts in excess of the limit	$ 520,495	$ 512,958
Impairment loss on financial assets	145,079	145,079
Loss on market price decline	41,982	41,982
Unrealized gain on the transactions with subsidiaries	5,855	7,912
Others	624	624
	$ 714,035	$ 708,555

f. Income tax assessments

The income tax of the Company through 2016 have been assessed by the tax authorities.

26. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

27. FINANCIAL INSTRUMENTS

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

Management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

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

1) Fair value hierarchy

Fair value hierarchy as at December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Listed shares and emerging market shares	$ 4,222,459	$ -	$ -	$ 4,222,459
Unlisted shares -ROC	-	-	699,029	699,029
Unlisted shares in other country	-	-	200,000	200,000
	$ 4,222,459	$ -	$ 899,029	$ 5,121,488

Fair value hierarchy as at December 31, 2017

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Equity securities listed in ROC	$ 4,359,552	$ -	$ -	$ 4,359,552

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

2) Reconciliation of Level 3 fair value measurements of financial instruments: None

3) Valuation techniques and inputs applied for Level 3 fair value measurement: The fair values of unlisted equity securities were determined using the net asset method. In order to evaluate a corporation or its operation's fair value, valuation of unlisted domestic and foreign equity investments were assessed using the net asset method by referencing the fair value of its assets and liabilities.

c. Categories of financial instruments

	December 31	
	2018	2017
Financial assets		
Loans and receivables (1)	$ -	$ 2,976,875
Available-for-sale financial assets (2)	-	5,258,581
Financial assets at amortized cost (3)	2,255,280	-
Financial assets at FVTOCI		
Equity instrument	5,121,488	-
Financial liabilities		
Financial liabilities measured at amortized cost (4)	1,415,194	1,607,036

1) The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivables, trade and other receivables and refundable deposits.

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

3) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade and other receivables and refundable deposits.

4) The balances included financial liabilities measured at amortized cost, which comprise notes payable and trade payables, other payables, guarantee deposits received, short-term borrowings, short-term bills payable, current portion of long-term borrowings and long-term borrowings.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, trade receivable, trade payables, and borrowings. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There had been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. The foreign currency fluctuation shall affect the financial instruments market value due to the Company's policy of hedges in pre-purchase of foreign forward exchanges.

<u>Sensitivity analysis</u>

The Company was mainly exposed to the Currency USD and RMB.

The Company's sensitivity analyze increasing and decreasing in New Taiwan dollars (the functional currency) against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates.

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates.

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

	December 31	
	2018	**2017**
Fair value interest rate risk		
Financial assets	$ 5,800	$ 70,350
Financial liabilities	-	200,000
Cash flow interest rate risk		
Financial assets	75,348	115,277
Financial liabilities	-	-

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2018 and 2017 would increase/decrease by $377 thousand and $576 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings, and demand deposits.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities. The Company's equity price risk was mainly concentrated on equity instruments operating in Taiwan industry sector quoted in the Taiwan Stock Exchange.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity price had been 15% higher/lower, pre-tax profit for year ended December 31, 2018 would have increased/decreased by $768,223 thousand as a result of the changes in fair value of financial assets as FVTOCI.

If equity price had been 15% higher/lower, pre-tax profit for year ended December 31, 2017 would have increased/decreased by $653,933 thousand as a result of the changes in fair value of available-for-sale shares.

The Company's sensitivity to equity prices increased because they had influenced on fluctuations in equity price.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, management of the Company is responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Company's credit risk was significantly reduced.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2018 and 2017, the Company had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2018

	Less than 1 Year	**1-5 Years**	**5+ Years**
Non-derivative financial liabilities			
Non-interest bearing	$ 1,195,693	$ 217,854	$ -

December 31, 2017

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 1,232,449	$ 184,030	$ -
Fixed interest rate liabilities	200,086	-	-
	$ 1,432,535	$ 184,030	$ -

b) Financing facilities

	December 31	
	2018	2017
Unsecured bank overdraft facility		
Amount used	$ -	$ 200,000
Amount unused	7,195,000	7,245,000
	$ 7,195,000	$ 7,445,000
Secured bank overdraft facility		
Amount used	$ -	$ -
Amount unused	2,330,000	2,330,000
	$ 2,330,000	$ 2,330,000

28. TRANSACTIONS WITH RELATED PARTIES

The Company's major shareholder was Evergreen International Corporation, which held 30% of ordinary shares of the Company as of December 31, 2018 and 2017.

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

a. Sales

	For the Year Ended December 31	
Related Party Categories	2018	2017
Investors that have significant influence over the Company	$ 131,112	$ 146,522
Others	287,552	256,919
	$ 418,664	$ 403,441

b. Miscellaneous Income

	For the Year Ended December 31	
Related Party Categories	2018	2017
Subsidiaries	$ 2,718	$ 3,233

c. Purchases of goods and expenses

Related Party Categories	For the Year Ended December 31 2018	2017
Investors that have significant influence over the Company	$ 16,413	$ 15,820
Subsidiaries	112	36
Others	13,399	13,431
	$ 29,924	$ 29,287

d. Retainage receivable (contract assets)

Related Party Categories	December 31, 2018
Others	$ 35,863

For the year ended December 31, 2018, impairment loss $1,203 thousand was recognized for contract assets from related parties.

e. Receivables from related parties (excluding loans to related parties and contract assets)

Trade receivable

Related Party Categories	December 31 2018	2017
Investors that have significant influence over the Company	$ 23,002	$ 25,913
Others	13,918	224,702
	$ 36,920	$ 250,615

Other receivable

Related Party Categories	December 31 2018	2017
Subsidiaries	$ 69	$ 69

The outstanding trade receivables from related parties are unsecured.

f. Payables to related parties

Other payable

Related Party Categories	December 31 2018	2017
Investors that have significant influence over the Company	$ 1,558	$ 2,185
Subsidiaries	83	6
Others	1,864	2,331
	$ 3,505	$ 4,522

The outstanding trade payables from related parties are unsecured.

g. Compensation of key management personnel

	For the Year Ended December 31	
	2018	2017
Short-term employee benefits	$ 13,987	$ 12,851
Post-employment benefits	462	454
	$ 14,449	$ 13,305

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, provisional attachment and performance guarantees, etc.:

	December 31	
	2018	2017
Property, plant, and equipment, net	$ 1,551,408	$ 1,563,363
Investment properties	271,748	274,033
Pledge deposits (classified as financial assets at amortized cost in 2018)	9,400	-
Pledge deposits (classified as other financial assets in 2017)	-	9,400
	$ 1,832,556	$ 1,846,796

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2018 and 2017 were as follows:

As of December 31, 2018 and 2017, unused letters of credit for purchasing of materials amount as follows:

	December 31	
Currency	2018	2017
USD	$ 396	$ 1,234
NTD	362,833	448,558