Stock Code: 2520

KINDOM DEVELOPMENT CO., LTD. and Subsidiaries

Consolidated Financial Statements with Independent Auditors' Report

For 2021 and 2020

Address: 2F., No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)

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

Table of Contents

Statement of Declaration

The entities that are required to be included in the consolidated financial statements of Kindom Development Co., Ltd. as of and for the year ended December 31, 2021, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Kindom Development Co., Ltd. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Hereby declared,

Kindom Development Co., Ltd.

Chairman: Chih-Kang, Ma

Date: March 25, 2022

Independent Auditors' Report

To the Board of Directors of Kindom Development Co., Ltd.:

Audit Opinion

We have audited the Consolidated Balance Sheets of Kindom Development Co., Ltd. and its subsidiaries as of December 31, 2021, and 2020, as well as the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements (including Summary of Significant Accounting Policies) for the annual period from January 1 to December 31, 2021, and 2020.

In our opinion, the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021, and 2020, and its consolidated financial performance and consolidated cash flows for the annual periods ended December 31, 2021, and 2020 in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and effected by the Financial Supervisory Commission.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2021 consolidated financial statements of the Group. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, key audit matters for the Company's Parent Company Only Financial Statements for the year ended December 31, 2019 are stated as follows:

1. Revenue recognition of real estate sales

   Refer to Note 4(16) for the accounting policies on recognizing revenue and Note 6(21) for details of related disclosure.

   Description of key audit matters:

   The Group engaged primarily in the sales and development of real estate. Real estate sales are easily subject to changes in overall economic conditions, tax reforms, market demands of properties and lands, and other factors. In response to the aforementioned changes, the governing authority has established relevant controls over revenue recognition and installment payments. The revenue of real estate sales amounts to NT$15,886,329 thousand, which is material to the fair presentation of consolidated financial statements. Consequently, the Group's revenue recognition has been identified as one of the key audit matters.

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

In relation to the key audit matter above, we have performed certain audit procedures including, among others, understanding the design and effectiveness of the Group’s internal controls over the recognition of revenue and the accrual of receivables; performing sample testing to inspect the real estate sales contracts, tables of the receivables, bank transactions, transfers of property rights, closing checklists and others. In addition, it also includes performing sample testing on sales transactions taking place before and after the balance sheet date as well as confirming relevant transaction records and documentations to ensure that revenue was fairly presented in the appropriate period.

2. Construction contracts

Refer to Note 4(16) for the accounting policies on construction contracts; Note 5(1) for the uncertainty of accounting estimations and assumptions for total construction costs; and Note 6(21) for details of revenue recognition of customer contracts.

Description of key audit matters:

Changes in the contract price and estimated total cost of construction contract are subject to the Group's management judgments to a great extent. Errors in the evaluation of construction costs may cause significant changes to the profit and loss for the reporting period and therefore are a source of audit risk. The Group applies the percentage of completion accounting method to accounts for revenue and costs of a contract, and the percentage of completion is based on the percentage of construction projects completed as of the end of the reporting period out of the total estimated construction costs of the contract. Errors in such judgments may cause significant misrepresentation in the timing and the valuation of profit or loss of a contract for the year.

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

In relation to the key audit matter above, we have performed certain audit procedures including, among others, testing the design and effectiveness of the Group's internal controls over the outsourcing of construction projects and the accrual of receivables; obtaining the tables containing all details of changes in the total construction costs; performing sample testing to confirm construction contracts, agreements, and external documentations of communications with property purchasers and meeting minutes with construction crew; performing sample testing on construction bills and payments from closed property purchasers in each periods; evaluating, on a sample basis, management's engineering budget preparation process and testing the effectiveness of the implementation of its internal control system; performing sample testing to confirm the external documentations of construction bills, contracts, daily reports, receipts, and budgets and comparing these documents with original construction budgets to verify the fair presentation and correct classifications of construction costs; performing sample testing on the pricing of building materials in each periods and recalculating the percentage of completion; and performing sample testing to evaluate the cutoff of construction projects taking place before and after the balance sheet date.

3. Inventory valuation

Refer to Note 4(8) for the accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimations and assumptions for inventory valuation, and Note 6(5) for details of inventory valuation.

Description of key audit matters:

As of December 31, 2021, the Group's inventory amounts to NT$21,231,255 thousand and accounts for 40% of total assets. The valuation of inventory is at the lower of cost or cost or market price, that is the price of real estate market with highly subject to large capital investment and long payback period and greatly subject to political, economic and real estate tax reforms.

Consequently, identified as one of the key audit matters, the Group's cost of inventory might be higher than its market price. Therefore, inventory evaluation is one of the important evaluation items in the auditing on the financial review of the Group.

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

In relation to the key audit matter above, we have performed certain audit procedures including understanding the Group’s internal procedures and accounting processes over inventory valuation; obtaining the net realizable value of inventory performed by the Group as of the end of the reporting period; inspecting and performing sample testing on the comparable market data such as sales prices of the transactions in the neighborhood, registered sales prices of real estate published by contract prices of recent sales of the Group’s developments or Ministry of the Interior, or confirming and recalculating the investment return analysis of each developments, to evaluate if the net realizable value of inventory is fairly presented.

Other Matters

Kindom Development Co., Ltd. has compiled the Parent-Company-Only Financial Statements for 2021 and 2020, and they have also received an unqualified audit opinion from our CPAs for your reference.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the FSC of the Republic of China. The management has determined that such internal control is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determined the key audit matters of the consolidated financial statements of the Group of 2021. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG
Taipei, Taiwan
Republic of
China
March 25, 2022

Notices to Readers

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

The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

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Kindom Development Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2021, and 2020

Unit: NT$ thousand

Code	Assets	2021.12.31 Amount	%	2020.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Notes 6(1) & (24))	$ 16,080,562	30	11,510,749	20
1110	Financial assets at fair value through profit or loss - current (Notes 6(2) & (24))	124,600	-	67,661	-
1140	Contract assets - current (Note 6(21))	1,975,776	4	1,671,567	3
1150	Notes receivable, net (Notes 6(4) & (24))	275	-	858	-
1170	Accounts receivable, net (Notes 6(4), (21) & (24))	1,252,838	2	2,225,979	4
1200	Other receivables (Note 6(24))	4,533	-	-	-
1220	Current tax assets	28	-	34,199	-
1300	Inventories - trading (Note 6(5))	9,789	-	9,739	-
1320	Inventories - construction (Notes 6(5) & 8)	21,231,255	40	28,294,015	50
1410	Prepayments	124,164	-	155,232	-
1476	Other financial assets - current (Notes 6(11), (21), (24) & 8)	2,299,051	4	2,262,304	4
1479	Other current assets - others	70,039	-	61,485	-
1480	Incremental costs of obtaining a contract - current (Note 6(11))	50,897	-	121,038	-
		43,223,807	80	46,414,826	81
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 6(3) & (24))	12,464	-	8,731	-
1550	Investments accounted for using equity method	15,120	-	20,507	-
1600	Property, plant and equipment (Notes 6(7) & 8)	6,503,236	13	6,586,166	12
1755	Right-of-use assets (Note 6(8))	3,336,729	6	3,548,998	6
1760	Investment property (Notes 6(9) & 8)	501,662	1	506,175	1
1780	Intangible assets (Note 6(10))	54,404	-	49,236	-
1840	Deferred tax assets (Note 6(18))	66,996	-	54,512	-
1915	Prepayments for equipment	2,288	-	2,101	-
1975	Defined benefit assets, net - non-current	2,438	-	3,400	-
1980	Other financial assets - non-current (Notes 6(24) & 8)	79,142	-	132,280	-
1995	Other non-current assets - others	50,157	-	50,109	-
		10,624,636	20	10,962,215	19
	Total assets	**$ 53,848,443**	**100**	**57,377,041**	**100**

Code	Liabilities and equity	2021.12.31 Amount	%	2020.12.31 Amount	%
	Current liabilities:				
2100	Short-term borrowings (Notes 6(12) & (24))	$ 14,479,725	27	15,101,351	26
2130	Contract liabilities - current (Note 6(21))	1,608,656	3	5,585,647	10
2150	Notes payable (Note 6(24))	327,149	1	389,871	1
2170	Accounts payable (Note 6(24))	5,729,916	11	5,206,700	9
2200	Other payables (Note 6(24))	954,084	2	1,115,831	2
2230	Current tax liabilities	693,349	1	665,104	2
2250	Provisions - current (Note 6(15))	181,626	-	150,363	-
2251	Provisions for employee benefit - current (Note 6(17))	21,907	-	22,278	-
2280	Lease liabilities - current (Notes 6(14) & (24))	181,149	-	159,420	-
2320	Current portion of long-term debt due within one year or one operating period (Note 6(24))	16,336	-	16,336	-
2321	Current portion of convertible corporate bonds due within one year or one operating period (Notes 6(13) & (24))	-	-	1,500,000	3
2322	Current portion of long-term borrowings due within one year or one operating period (Notes 6(12) & (24))	283,680	1	217,760	-
2399	Other current liabilities - others	67,285	-	52,644	-
		24,544,862	46	30,183,305	53
	Non-current liabilities:				
2530	Bonds payable (Notes 6(13) & (24))	4,000,000	7	4,000,000	7
2540	Long-term borrowings (Notes 6(12) & (24))	1,833,560	3	2,157,240	4
2580	Lease liabilities - non-current (Notes 6(14) & (24))	3,340,967	6	3,521,533	6
2640	Defined benefit liabilities, net - non-current	2,935	-	5,979	-
2645	Guarantee deposits (Note 6(24))	97,814	-	94,419	-
2670	Other non-current liabilities - others (Note 6(24))	32,672	-	49,008	-
		9,307,948	16	9,828,179	17
	Total liabilities	33,852,810	62	40,011,484	70
	Equity attributable to owners of the parent company (Note 6(19)):				
3100	Share capital	5,541,701	10	5,037,910	9
3200	Capital reserve	1,421,924	3	1,396,097	2
3300	Retained earnings	10,697,059	20	8,902,937	15
3400	Other equity	(26,727)	-	(27,847)	-
3500	Treasury stock	(71,196)	-	(71,196)	-
	Total equity attributable to owners of the parent company	17,562,761	33	15,237,901	26
36XX	Non-controlling interests (Note 6(6))	2,432,872	5	2,127,656	4
	Total equity	19,995,633	38	17,365,557	30
	Total liabilities and equity	**$ 53,848,443**	**100**	**57,377,041**	**100**

(Refer to the subsequent Notes to Consolidated Financial Statements)

Kindom Development Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
From January 1 to December 31, 2021 and 2020

Unit: NT$ thousand

		2021		2020	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Note 6(21))**	$ 25,191,138	100	27,345,405	100
5000	**Operating Costs (Note 6(5))**	18,173,783	72	20,234,794	74
	Gross profit	7,017,355	28	7,110,611	26
	Operating expenses:				
6100	Selling and marketing expenses	255,126	1	425,871	2
6200	General and administrative expenses	1,584,947	6	1,515,908	5
6450	Expected credit loss (Note 6(4))	12,885	-	-	-
		1,852,958	7	1,941,779	7
	Net operating profit	5,164,397	21	5,168,832	19
	Non-operating income and expenses:				
7100	Interest income (Note 6(23))	25,436	-	21,036	-
7010	Other income (Note 6(23))	4,763	-	3,435	-
7020	Other gains and losses (Note 6(23))	104,594	-	62,291	-
7050	Finance costs (Note 6(23))	(315,117)	(1)	(366,796)	(1)
7060	Share of profit and loss of associates and joint ventures accounted for using the equity method	(5,387)	-	1	-
		(185,711)	(1)	(280,033)	(1)
	Profit before tax from continuing operating department	4,978,686	20	4,888,799	18
7950	**Less: Income tax expense (Note 6(18))**	901,353	4	983,662	4
	Net income	4,077,333	16	3,905,137	14
8300	**Other comprehensive income:**				
8310	**Items that will not be reclassified subsequently to profit or loss:**				
8311	Remeasurements of defined benefit plans	(2,128)	-	(1,234)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2,784	-	152	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of financial statements of foreign operations	(1,347)	-	(2,686)	-
8300	**Other comprehensive income (loss)(net of taxes)**	(691)	-	(3,768)	-
	Total comprehensive income for the year	**$ 4,076,642**	**16**	**3,901,369**	**14**
	Net income attributable to:				
8610	Owners of the parent company	$ 3,508,103	14	3,353,971	12
8620	Non-controlling interests	569,230	2	551,166	2
		$ 4,077,333	**16**	**3,905,137**	**14**
	Total comprehensive income attributable to:				
8710	Owners of the parent company	$ 3,508,131	14	3,349,860	12
8720	Non-controlling interests	568,511	2	551,509	2
		$ 4,076,642	**16**	**3,901,369**	**14**
9750	**Basic earnings per share (in NT$) (Note 6(20))**	**$**	**6.47**		**6.18**
9850	**Diluted earnings per share (in NT$) (Note 6(20))**	**$**	**6.44**		**6.15**

(Refer to the subsequent Notes to Consolidated Financial Statements)

Kindom Development Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to December 31, 2021 and 2020

Unit: NT$ thousand

	Equity attributable to owners of the parent company											
	Share capital		Retained earnings				Other equity					
	Share capital of ordinary shares	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stock	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance as of January 1, 2020	$ 5,037,910	1,379,873	1,688,423	25,546	4,592,752	6,306,721	(26,264)	460	(71,196)	12,627,504	1,785,405	14,412,909
Net income	-	-	-	-	3,353,971	3,353,971	-	-	-	3,353,971	551,166	3,905,137
Other comprehensive income for the period	-	-	-	-	(2,068)	(2,068)	(2,257)	214	-	(4,111)	343	(3,768)
Total comprehensive income for the year	-	-	-	-	3,351,903	3,351,903	(2,257)	214	-	3,349,860	551,509	3,901,369
Appropriation of earnings:												
Legal reserve appropriated	-	-	128,355	-	(128,355)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	258	(258)	-	-	-	-	-	-	-
Cash dividends of common stocks	-	-	-	-	(755,687)	(755,687)	-	-	-	(755,687)	-	(755,687)
Changes in equity of associates and joint ventures accounted for under the equity method	-	18	-	-	-	-	-	-	-	18	-	18
Changes in capital reserve from dividends paid to subsidiaries	-	15,938	-	-	-	-	-	-	-	15,938	-	15,938
Unclaimed dividends after effective period	-	268	-	-	-	-	-	-	-	268	35	303
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(209,293)	(209,293)
Balance as of December 31, 2020	5,037,910	1,396,097	1,816,778	25,804	7,060,355	8,902,937	(28,521)	674	(71,196)	15,237,901	2,127,656	17,365,557
Net income	-	-	-	-	3,508,103	3,508,103	-	-	-	3,508,103	569,230	4,077,333
Other comprehensive income for the period	-	-	-	-	(1,092)	(1,092)	(1,131)	2,251	-	28	(719)	(691)
Total comprehensive income for the year	-	-	-	-	3,507,011	3,507,011	(1,131)	2,251	-	3,508,131	568,511	4,076,642
Appropriation of earnings:												
Legal reserve appropriated	-	-	335,191	-	(335,191)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	2,043	(2,043)	-	-	-	-	-	-	-
Cash dividends of common stocks	-	-	-	-	(1,209,098)	(1,209,098)	-	-	-	(1,209,098)	-	(1,209,098)
Share dividends of common stocks	503,791	-	-	-	(503,791)	(503,791)	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for under the equity method	-	37	-	-	-	-	-	-	-	37	-	37
Changes in capital reserve from dividends paid to subsidiaries	-	25,501	-	-	-	-	-	-	-	25,501	-	25,501
Unclaimed dividends after effective period	-	289	-	-	-	-	-	-	-	289	71	360
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(263,366)	(263,366)
Balance as of December 31, 2021	**$ 5,541,701**	**1,421,924**	**2,151,969**	**27,847**	**8,517,243**	**10,697,059**	**(29,652)**	**2,925**	**(71,196)**	**17,562,761**	**2,432,872**	**19,995,633**

(Refer to the subsequent Notes to Consolidated Financial Statements)

KINDOM DEVELOPMENT CO., LTD. and Subsidiaries
Consolidated Statements of Cash Flows
From January 1 to December 31, 2021 and 2020

Unit: NT$ thousand

		2021	2020
Cash flows from operating activities:			
Income before income tax	$	4,978,686	4,888,799
Adjustments:			
Adjustments to reconcile profit (loss)			
Depreciation		424,270	396,691
Amortization		9,779	10,223
Expected credit loss		12,885	-
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss		(53,805)	5,918
Interest expense		315,117	366,796
Interest income		(25,436)	(21,036)
Dividend income		(4,763)	(3,435)
Share of loss (gain) of associates and joint ventures accounted for using equity method		5,387	(1)
Gain on disposal of property, plant and equipment		(28)	(95)
Other income		-	(25,495)
Impairment loss		24,618	8,000
Gain on lease modifications		(58)	-
Total adjustments to reconcile profit (loss)		707,966	737,566
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease (Increase) in financial instruments measured at fair value through profit or loss		(3,134)	23,984
Increase in contract assets		(304,209)	(321,098)
Decrease in notes receivable		583	2,343
Decrease (increase) in accounts receivable		973,763	(776,644)
Increase in other receivables		(4,533)	-
Decrease in inventory		7,185,817	4,295,084
Decrease in prepayments		30,767	145,309
Increase in other current assets		(8,554)	(21,061)
(Increase) decrease in other financial assets - current		(37,279)	1,244,854
Decrease in costs of obtaining a contract		70,141	23,487
Decrease (increase) in net defined benefit assets, non-current()		962	(2,039)
Increase in other non-current assets		(48)	(38)
Total changes in operating assets		7,904,276	4,614,181
Total changes in operating liabilities:			
Decrease in contract liabilities		(3,976,991)	(601,691)
Decrease in notes payable		(62,722)	(8,067)
Increase in accounts payable		523,216	335,529
(Decrease) increase in other payables		(209,783)	398,155
Increase (decrease) in provisions for employee benefit - current		(371)	745
Increase in provisions - current		31,263	47,881
Increase (decrease) in other current liabilities		14,641	(118,450)
Decrease in net defined benefit liabilities		(5,172)	(1,936)
Decrease in other non-current liabilities		(16,336)	(16,336)
Total changes in operating liabilities		(3,702,255)	35,830
Total changes in operating assets and liabilities		4,202,021	4,650,011
Total adjustments		4,909,987	5,387,577
Cash flows generated from operations		9,888,673	10,276,376
Income taxes paid		(851,421)	(390,922)
Net cash flows from operating activities		9,037,252	9,885,454

(Refer to the subsequent Notes to Consolidated Financial Statements)

Kindom Development Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows (continued)
From January 1 to December 31, 2021 and 2020

Unit: NT$ thousand

	2021	2020
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(1,941)	-
Payment returned on capital reduction of financial assets at fair value through other comprehensive income	992	-
Acquisition of property, plant and equipment	(108,747)	(126,629)
Disposal of property, plant and equipment	76	164
Acquisition of intangible assets	(14,488)	(15,748)
(Decrease) increase in other financial assets - non-current	53,138	(69,812)
Decrease (increase) in prepayments for equipment	(187)	6,944
Interests received	25,779	20,983
Dividends received	4,763	3,435
Net cash flows used in investing activities	(40,615)	(180,663)
Cash flows from financing activities:		
Increase in short-term loans	4,671,600	7,489,595
Decrease in short-term loans	(5,293,226)	(11,303,618)
Increase in short-term notes and bills payable	480,000	1,210,000
Decrease in short-term notes and bills payable	(480,000)	(1,210,000)
Redemption of convertible corporate bonds	(1,500,000)	-
Issuance of convertible corporate bonds	-	1,000,000
Proceeds from long-term debt	200,000	2,330,000
Repayments of long-term debt	(457,760)	(2,334,900)
Increase in guarantee deposits received	3,395	3,665
Repayments of lease principal	(158,485)	(119,480)
Cash dividends distributed	(1,183,597)	(739,749)
Interests paid	(444,038)	(536,961)
Changes in non-controlling interests	(263,366)	(209,293)
Net cash flows used in financing activities	(4,425,477)	(4,420,741)
Effects of exchange rate changes on the balance of cash and cash equivalents	(1,347)	(2,686)
Net increase in cash and cash equivalents	4,569,813	5,281,364
Cash and cash equivalents at beginning of the period	11,510,749	6,229,385
Cash and cash equivalents at end of the period	$ 16,080,562	11,510,749

(Refer to the subsequent Notes to Consolidated Financial Statements)

KINDOM DEVELOPMENT CO., LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
For 2021 and 2020
(In Thousands of New Taiwan Dollars, unless otherwise specified)

1. Company History

Kindom Development Co., Ltd. (hereinafter referred to as "the company") was incorporated in November 1979, located at 2F., No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City, Taiwan. The company and its subsidiaries (hereinafter referred to as the "group") primarily engages in the development of residential properties, the leases or sales of commercial buildings, comprehensive constructions, department stores, supermarkets, and international trading.

2. Approval Date and Procedures of the Financial Statements

The consolidated financial statements were published upon approval by the Board of Directors on March 25, 2022.

3. Application of New, Amended, and Revised Standards and Interpretations

(1) Impact of adoption of new, revised or amended standards and interpretations endorsed by the Financial Supervisory Commission, R.O.C.

the Group has adopted the newly revised IFRSs specified above since January 1, 2021, and assessed that the adoption will not have a material impact on the consolidated financial statements.

・Amendments to IFRS 4 "Deferral of Effective Date of IFRS 9"

・Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"

the Group has adopted the following newly amended IFRSs starting from January 1, 2021. The impact is described as follows:

Effective on April 1, 2021, the Group adopted the amendment to IFRS 16, "COVID-19-related Rent Concessions After June 30, 2021," which extended the tenant's right to enjoy rent concession as a result of COVID-19 for one year to June 30, 2022. The accounting policy is detailed in Note 4(12). This accounting change had no effect on the date of initial application and was recognized in profit or loss for NT$42,785 thousand.

(2) Impact of IFRSs endorsed by the FSC but yet to come into effect

the Group has assessed that the application of the above newly endorsed IFRS, effective on January 1, 2022, will not result in a material impact on the consolidated financial statements.

・Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"

・Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"

・Annual Improvements to IFRSs 2018-2020 Cycle

・Amendments to IFRS 3, "Reference to the Conceptual Framework"

(3) Impact of IFRSs issued by the IASB but yet to be endorsed by the FSC

The table below lists the impact of IFRSs issued by the IASB but yet to be endorsed by the FSC:

New, revised or amended standards and interpretations	Main amendments	Effective date released by the IASB
Amendments to IAS 1 "Classify Liabilities as Current or Non-current"	The amendments are to promote consistency in applying the standards by helping companies determine whether debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current in the balance sheet. The amendments also clarify the classification requirements for debts that may be repaid through conversion into equity.	January 1, 2023
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	The amendment restricts the scope of the recognition exemption, which is no longer applicable when the original recognition of the transaction results in an equal amount of taxable and deductible temporary differences.	January 1, 2023

the Group is in the process of evaluating the impact on the consolidated financial position and performance of the adoption of the standards and interpretations mentioned above, and the Group will disclose relevant impacts when the evaluation is completed.

the Group anticipates that the application of the following other newly published and amended but recognized IFRSs will not have a material impact on the consolidated financial statements.

- Amendment to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- IFRS 17 “Insurance Contracts” and Amendments to IFRS 17
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

4. Summary of Significant Accounting Policies

The summary of material accounting policies adopted in the consolidated financial statements is as follows. Other than the description of accounting variations in Note 3, the following accounting policies have been consistently applied to all stated periods in the consolidated financial statements.

(1) Compliance Statement

the Group's consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (the "Regulations") and the IFRS, IAS, IFRIC Interpretations, and SIC Interpretations endorsed by the FSC (collectively as the "IFRSs approved by FSC").

(2) Basis of Preparation

1. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for the following significant accounts:

(1) Financial assets measured at fair value through profit or loss;

(2) Financial assets measured at fair value through other comprehensive income; and

(3) Net defined benefit liability (or asset) measured at the fair value of plan assets less present value of defined benefit obligation, and the limits disclosed in Note 6(17).

2. Functional and presentation currency

Every individual entity of the Group takes the currency of the economic environment its operation domiciles are in as the functional currency. The consolidated financial statements were expressed in New Taiwan Dollars, the Company's functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(3) Basis of consolidation

1. Principle of preparation of the consolidated financial statements

The preparation subjects of the consolidated financial statements include the Company and individuals controlled by the Company (i.e. subsidiaries.) The Company controls an individual entity when it is exposed to, or has rights to, variable remuneration from its participation in that individual and can influence that remuneration through its power over that individual.

From the date of attaining control over the subsidiary, its financial statements shall be included in the consolidated financial statements until the date of losing control. The transactions, balances and, any unrealized income and expenses between the consolidated companies have been eliminated in full at the time of preparing the consolidated financial statements. The total comprehensive income of subsidiaries is attributable to the owners and non-controlling interests of the Company, even if the non-controlling interests become the deficit balance.

Financial statements of subsidiaries are adjusted to ensure consistency with the accounting policies adopted by the Group.

If the change of ownership equity to subsidiaries by the Group does not cause lost control over them, it will be considered equity transaction between shareholders. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received shall be directly recognized in equity attributable to the owners of the Company.

2. List of subsidiaries in the consolidated financial statements

Name of investor	Subsidiary name	Main business and products	Percentage of ownership 2021.12.31	Percentage of ownership 2020.12.31	Explanation
The Company	Kedge Construction Co., Ltd. (Kedge Construction)	The comprehensive construction industry, etc.	34.18%	34.18%	The company has more than half of the company's director seats
〃	Global Mall Co., Ltd. (Global Mall)	Supermarkets, department stores, international trading, wholesales of medical equipment, and retails	84.02%	84.02%	The subsidiary in which the company's voting share exceeds more than 50% of the subsidiary's issued shares.
Joint venture of the company and Global Mall	Guan Cheng Co., Ltd. (GLOBAL MALL BANQIAO STORE) (Guan Cheng)	Department stores, supermarkets, and non-store retailing	100.00%	100.00%	The subsidiary in which the Group's voting share exceeds more than 50% of the subsidiary's issued shares.
Kedge Construction	Jiequn Investment Co., Ltd. (Jiequn Investment)	Investment	99.98%	99.98%	The subsidiary in which Kedge Construction's voting share exceeds more than 50% of the subsidiary's issued shares.
〃	Guanqing Electromechanical Co., Ltd. (Guanqing Electromechanical)	Installation and engineering of electrical and fire safety equipment	99.96%	99.96%	The subsidiary in which Kedge Construction's voting share exceeds more than 50% of the subsidiary's issued shares.
Jointly held by Guanqing Electromechanical and Jiequn Investment	Dingtian Construction Co., Ltd. (Dingtian Construction)	The comprehensive construction industry, etc.	100.00%	100.00%	The subsidiary in which the Group's voting share exceeds more than 50% of the subsidiary's issued shares.
Global Mall	KGM International Investment Co., Ltd. (KGM)(Note 1)	Investment and operation of shopping mall in Mainland China, including master planning, supporting engineering consulting, and leasing planning and consulting	100.00%	100.00%	The subsidiary in which Global Mall's voting share exceeds more than 50% of the subsidiary's issued shares.
Global Mall	Guan Hua Co., Ltd. (GLOBAL MALL NANGANG STORE) (Guan Hua)	Department stores, supermarkets, and non-store retailing	100.00%	100.00%	The subsidiary in which Global Mall's voting share exceeds more than 50% of the subsidiary's issued shares.
KGM	Global Mall (Tianjin) Co., Ltd. (Note 2)	Business management (including rentals of commercial facilities) in wholesales, retails, and import/export of household items and appliances, sports goods, office supplies, watches, glasses, textiles, etc.; property management; business consulting; corporate marketing planning; conference services; exhibition services; parking lot operation and management.	- %	100.00%	The subsidiary in which KGM's voting share exceeds more than 50% of the subsidiary's issued shares.
Joint venture of Global Mall and Guan Cheng	Guan You Co., Ltd. (GLOBAL MALL ZUOYING STORE) (Guan You)	Department stores, supermarkets, and non-store retailing	100.00%	100.00%	The subsidiary in which the Group's voting share exceeds more than 50% of the subsidiary's issued shares.

Note 1. On December 24, 2021, KGM's board of directors resolved to reduce capital to cover the loss of HKD41,644 thousand and to reduce capital by HKD12,400 thousand (NT$44,054 thousand) in cash, and the aforementioned transactions are still under application for review by the Investment Commission.

Note 2. On April 19, 2021, Grand Mall Tianjin the registration of cancellation and remitted the remaining shares to its parent company,KGM International Investment Co., Ltd. in December of the same year.

3. List of subsidiaries which excluded in the consolidated financial statements: None

(4) Foreign Currency

1. Foreign currency transactions

Transactions in foreign currency are translated into the functional currency at exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the period (the "reporting date") are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing at the date when the fair value was determined. Non-monetary assets and liabilities in a foreign currency that are measured at historical cost are retranslated using the exchange rates prevailing at the transaction dates.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into NT$ at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into NT$ at the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

When the disposal of foreign operation leads to loss of control, joint control or material influence, the cumulative exchange difference amount related to them will be re-classified into profit or loss. When partially disposing of subsidiaries containing foreign operation, the cumulative exchange difference amount will be re-attached to non-controlling equity according to proportion. When partially disposing of affiliated enterprises or joint investments containing foreign operation, the cumulative exchange difference amount will be re-classified into profit or loss according to proportion.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, the related foreign exchange gains and losses are a part of net investment in that foreign operation and thereon are recognized as other comprehensive income.

(5) Classification of Current and Non-current Assets and Liabilities

An asset is classified as current when one of the following criteria is met; all other assets are classified as non-current assets:

1. It is expected to be realized, or intended to be sold or consumed in the normal operating cycle;
2. It is held primarily for the purpose of trading;

3. It is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when one of the following criteria is met; all other liabilities are classified as non-current liabilities:"

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. Liabilities whose settlement can be deterred unconditionally for at least twelve months after the reporting period. The liabilities provisions may be settled by issuing equity instruments at the option of the counterparty, and will not impact its classification.

(6) Cash and cash equivalents

Cash includes inventory cash and current deposit. Cash equivalents refer to the short-term and highly liquidity investment that can be converted into quota cash at any time with little risk of value change. Time deposits are classified as cash equivalents only when they satisfy the aforementioned definition, and the purpose of holding is to meet the short-term cash commitments rather than investment or other purposes.

(7) Financial Instruments

The accounts receivable and debt securities issued were originally recognized when they were generated. All other financial assets and financial liabilities were originally recognized when the Group became a party to the terms of a financial instrument contract. Financial assets not measured at fair value through profit or loss (other than accounts receivable excluding material financial components) or financial liabilities primitively at fair value may be measured directly attributable to the transaction cost of the acquisition or issuance. The accounts receivable that do not contain a significant financing component are measured at transaction prices.

1. Financial assets

All financial assets that are purchased or sold in ordinary business transactions are recognized and derecognized on a trade-date basis.

Upon initial recognition, financial assets are classified following categories: measured at amortized cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL"). Only upon changes in the Group's management of financial assets, the affected assets are reclassified at the beginning of the next reporting period.

(1) Financial assets measured at cost after amortization

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· It is held within a business model whose objective is to hold financial assets to collect contractual cash flows.

· Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently accrued based on the original recognized amount plus or minus the effective interest method, and adjusted for the amortized cost of any allowance losses. Interest income, foreign exchange profit or loss, and impairment loss are recognized in profit and loss. When derecognition, gain or loss is recognized in profit and loss.

(2) Financial assets measured at fair value through other comprehensive income (FVTOCI)

At the time of initial recognition, the Group may make an irrevocable choice and report the subsequent changes at the fair value of equity instrument investment not held for trading to other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity instrument investors shall be measured at fair value subsequently. Dividend income (unless it clearly represents the recovery of part of the investment cost) is recognized in profit and loss. The remaining net profit or loss is recognized as other comprehensive income and is not reclassified to profit and loss.

Dividend income derived from equity investments is recognized on the date that the Group's right to receive the dividends is established (usually the ex-dividend date).

(3) Financial assets at fair value through profit or loss

Financial assets not measured at the aforementioned amortized cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or measured at fair value through other comprehensive income, as at fair value through profit and loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value, and net gains and losses (including dividend and interest incomes) are recognized in profit or loss.

(4) Impairment of financial assets

Regarding the financial assets measured through amortized cost (including cash and equivalent cash, financial assets measured by amortized cost, notes receivable and accounts receivable, other receivables, refundable deposits, and other financial assets, etc.) and contract assets, the Group shall recognize loss allowance for expected credit losses.

The Company measures its loss allowances at an amount equal to lifetime ECL), except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. The information includes both quantitative and qualitative information and analysis based on the Group' s historical experience, credit assessment, as well as forward-looking information.

Expected credit loss refers to the weighted estimate of credit loss probability during the expected survival period of financial instruments. The credit loss is measured by the present value of all cash shortfall, namely the difference between the cash flow that the Group can collect according to the contract and the expected cash flow that the Group will receive. Expected credit loss is discounted at the effective interest rate of financial assets.

On each reporting date, the Group assesses whether there is credit impairment on financial assets measured at amortized cost and debt securities measured at fair value through other comprehensive income. When there is one or more events arising that will bring unfavorable influence to expected future cash flow, there is already credit impairment to the financial asset. The evidences for credit impairment of financial assets include the observable data for the following events:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being overdue more than one year;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

The loss allowance of financial assets measured through amortized cost is deducted from the carrying amount of assets. The loss allowance of debt instrument investment measured at fair value through other comprehensive income is adjusted profit and loss and recognized in other comprehensive income (without reducing the carrying amount of assets).

When the Group fails to carry out a reasonable expectation of recovery of financial assets in part or whole, the total carrying amount of the financial assets directly decreases. For companies, the Group analyzes the timing and amount of write-offs individually based on whether it is reasonably expected to be recoverable. the Group expects that the written off amount will not be materially reversed. However, the written-off financial assets can still be enforced to comply with the procedures for the Group to recover the overdue amount.

(5) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, when the Group transfers substantially all the risks and rewards of ownership of the financial assets to other enterprises, or when the Group neither retain nor transfer substantial risks and rewards of the ownership, and does not retain control of the asset.

Even when it transfers the financial assets, if it retains all or some the risks and rewards of ownership of the assets, the Group continue to recognize the assets in the balance sheets.

2. Financial liabilities and equity instruments

(1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of contractual arrangements.

(2) Equity instruments

Equity instruments refer to any contracts containing the Group's residual interest after subtracting liabilities from assets. The equity instrument issued by the Group shall be recognized by the payment net of the direct cost of issuance.

(3) Treasury stock

When buying back the equity instruments recognized by the Company, the consideration paid (including directly attributable costs) is recognized as a decrease in equity. The repurchased shares are classified as treasury stocks. For subsequent sales or re-issuance of treasury stocks, the amount received is recognized as an increase in equity, and the remaining or loss generated by the transaction is recognized as a capital reserve or retained surplus (if the capital reserve is insufficient for the offsetting).

(4) Financial liabilities

Financial liabilities are classified as amortized costs or the fair value measurement through profit or loss. Financial liabilities, if held for trading, derivatives or designated at the time of initial recognition, are classified as the fair value measurement through profit or loss. Financial liabilities measured at fair value through profit or loss are measured at fair value and the related net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently assessed at amortized cost employing an effective interest method. Interest income and foreign currency profit or loss are recognized as profit or loss. Any profit or loss at the time of derecognize is also recognized in profit and loss.

(5) Derecognition of financial liabilities

the Group derecognizes financial liabilities when the contractual obligations have been fulfilled, canceled or matured. When the terms of financial liabilities are modified and there is a significant difference in the cash flow of the revised liabilities, the original financial liabilities will be derecognized and new financial liabilities will be recognized at fair value based on the revised terms.

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

(6) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis only when the Group has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(7) Financial guarantee contract

A financial guarantee contract ("FGC") is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Upon the issuance, a FGC that is not designated as measured at FVTPL is initially recognized at fair value less any direct issue cost and subsequently measured as the greater of (a) the IFRS 9 Expected Credit Loss allowance, and (b) the amount initially recognized, when appropriate, less any cumulative amount of income recognized.

(8) Inventories

Construction

Inventory is measured by the lower of cost and NRV. The cost includes all necessary expenditures and capitalized borrowing costs to get an asset in place and in conditions ready for use.

The NRV is the expected selling price in the ordinary course of business, less the estimated cost of construction completion and the estimated costs necessary to make the sale. The measurement of NRV is as follows:

1. Land held for construction

   The NRV is calculated on the basis of the expected selling price judged by the management based on the current market conditions, less cost of construction completion and selling expenses, or the most recent estimated market value (based on land development analysis approach or comparison approach).

2. Construction in progress

   The NRV is calculated on the basis of the expected selling price (based on the current market conditions) less cost of construction completion and selling costs.

3. Buildings and land held for sale

   The NRV is calculated on the basis of the expected selling price (based on the current market conditions) less the estimated selling costs.

Trading

Inventory is measured by the lower of cost and NRV. The cost is the weighted average of all costs necessary to get an asset in place and in conditions ready for use.

The NRV is the expected selling price in the ordinary course of business, less the estimated cost to get the inventory ready for use and selling costs.

(9) Investments in associates

An associate is an entity over which the Group has significant influence to participate in the entity's financial and operating policies but is not in control or joint control over those policies.

the Group adopts the equity method for handling the equity of associates. Under the equity method, the initial acquisition is recognized according to the cost, and the investment cost includes the transaction cost. The carrying amount of invested associates includes the goodwill recognized at the time of initial investment less any accumulative impairment loss.

The consolidated financial statements include the amount of profit and loss and other comprehensive profit and loss of each invested associate recognized by the Group according to the proportionate interest after the adjustment of the consistency with the accounting policies of the Group from the date of attaining a material influence to the date of losing such influence. When associates undergo non-equity or other comprehensive income equity changes without influencing the shareholding proportion of the Group, the Group will recognize the equity change in the share of affiliated enterprises attributable to it as capital reserve according to shareholding proportion.

Only when the transactions are neither upstream nor downstream transactions, unrealized profits and losses resulting from transactions between the Group and an associate are recognized in the associate's financial statements.

If the Group's share of losses of an associate equals or exceeds its proportionate interest, the Group discontinues recognizing its share of further losses. After the Group's proportionate interest is reduced to zero, additional losses are recognized as a provision (liability) only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate.

(10) Investment Property

Investment property refers to property held for earning rent or asset appreciation or both, rather than for normal business sale, production, provision of goods or services, or administrative purposes. Investment property is initially measured by cost and subsequently measured by cost minus accumulated depreciation and accumulated impairment. Its depreciation method, service life, and residual value are treated following the provisions of property, plant, and equipment.

Gain or loss on disposal of investment property (i.e. the difference between net proceed and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized in operating revenue on a straight-line basis during the lease term. The lease incentive is recognized as part of the lease income during the lease term.

(11) Property, Plant and Equipment

1. Recognition and measurement

   Property, plant, and equipment are measured at cost (including the capitalized borrowing costs) less accumulated depreciation and accumulated impairment losses.

   Each part of an item of property, plant, and equipment with a useful life that is different in relation to the total useful life of the item shall be depreciated separately.

The gain or loss arising from the disposal of an item of property, plant, and equipment is recognized as non-operating income and loss.

2. Subsequent costs

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group.

3. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant, and equipment.

Land is not depreciable.

The estimated useful lives of property, plant, and equipment for the current and comparative periods are as follows:

(1) Buildings 3 to 55 years

(2) Transportation, office and others 1 to 30 years

(3) Leasehold improvement 2 to 20 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

(12) Lease

At the contract commencement date, the Group determined whether it is or contains a lease. A sublease containing the right to direct the use of an identified asset for a period of time in exchange for consideration is also identified as a lease.

1. The Company as lessee

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured, using a cost model, at the original amount of the lease liability, plus lease payments at or before lease commencement, any initial direct costs, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, and less lease incentives.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the Group regularly assesses whether the right-of-use asset is impaired and treats any impairment loss that has occurred, as well as cooperating to adjust the right-of-use asset when the lease liability is remeasured.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date. If the interest rate implicit in the lease is easy to determine, the discount rate shall be the interest rate; if it is not easy to determine, the incremental borrowing rate of interest of the Group shall be used. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease payments comprise as follows:

(1) fixed payments, including in-substance fixed lease payments;

(2) variable lease payments that depend on an index or a rate and initially measured at the index or rate at the lease commencement date;

(3) amounts expected to be payable by the lessee under residual value guarantees;

(4) an option to purchase the underlying asset if it is reasonably certain to be exercised, and penalty payments for terminating the lease.

The lease liability is subsequently measured on an amortized cost basis, using an effective interest method, and remeasured to reflect the following conditions:

(1) changes in future lease payments resulting from changes in an index or a rate used to determine those payments;

(2) changes in the amounts expected to be payable under a residual value guarantee;

(3) changes in the assessment of the purchase option;

(4) change in the assessment of the lease term resulting from extension or termination of the exercise of the purchase option; or

(5) lease modifications of the underlying asset, scope, and other terms and conditions.

The remeasurements made under (i), (ii) and (iii) are treated as adjustments to the right-of-use asset. When the carrying amount is reduced to zero, any further reduction is recognized immediately in profit or loss.

The changes in (iv) and (v) decreases the scope of a lease. When a lease modification decreases the scope of a lease, the carrying value of the right-of-use asset is decreased to reflect partial of full termination of the lease liability, and any gain or loss resulting from the aforementioned derecognition is immediately recognized in profit or loss.

the Group records right-of-use assets and lease liabilities defined as not investment properties in a single line item in the consolidated balance sheets.

the Group elects not to recognize short-term assets of office equipment and other low-value assets as right-of-use assets and lease liabilities, but instead recognizes payments of these leases as expenses on a straight-line basis over the lease term.

the Group chooses to apply the practical expedient to its rent concessions that fit all the following criteria without assessing if they are lease modifications.

(1) Rent concessions occurring as a direct consequence of the COVID-19 pandemic;

(2) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(3) Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and

(4) There is no substantive change to other terms and conditions of the lease.

With the application of practical expedient, the amount of changes in lease payments that arise from rent concessions are recognized in profit or loss for the reporting period.

2. The Company as lessor

When the Group acts as a lessor, it determines at lease commencement date whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. At the time of evaluation, the Group's considerations include relevant specific indicators, such as whether it covers the main component of the economic life of the underlying asset during the lease term.

If the Group is a sublessor, it will handle the main lease and sub-lease transactions separately, and use the right-of-use assets generated by the main lease to evaluate the classification of the sub-lease transactions. If the main lease is a short-term lease and the recognition exemption applies, the sublease transaction should be classified as an operating lease.

If the sublease includes lease and non-lease components, the consideration is allocated in accordance with IFRS 15.

(13) Intangible assets

1. Recognition and measurement

Intangible assets that are acquired by the Group are measured at cost, less accumulated amortization and any accumulated impairment losses.

2. Subsequent expenses

Subsequent expenditures are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3. Amortization

The amortizable amount is the cost of an asset, less, its residual value. Except for goodwill and intangible assets with indefinite useful lives, amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives of property, plant, and equipment for the current and comparative periods are as follows:

(1) Patents and trademarks: 10 years

(2) Service concessions: 13 to 6 years

(3) Computer software: 2 to 5 years

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

(14) Impairments of Non-financial Assets

The Group assesses on each reporting date whether there is any indication that the carrying amount of non-financial assets (other than inventory, contractual assets, and deferred income tax assets) may be impaired. If there is any sign, an estimate is made of its recoverable amount.

For the impairment test, a group of assets whose cash inflows are largely independent of the cash inflows of other individual assets or asset groups is regarded as the smallest identifiable asset group. Goodwill acquired in a business combination is allocated to each cash-generating unit or group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount for an individual asset or a cash-generating unit is the higher of its fair value, less costs to sell, and its value in use. When evaluating the value in use, the estimated future cash flow is converted to the present value at a pre-tax discount rate, which should reflect the current market assessment of the time value of money and the specific risks for the asset or cash-generating unit.

When the recoverable amount of an individual asset or a CGU is less than its carrying amount, an impairment loss is recognized.

The impairment loss is recognized immediately in profit or loss, firstly by reducing the carrying amount of any goodwill allocated to the CGU, and then proportionately allocated to the other assets of the CGU on the basis of the carrying amount of each asset in the CGU.

The impairment loss of goodwill will not be reversed. The impairment loss is recognized immediately in profit or loss, firstly by reducing the carrying amount of any goodwill allocated to the CGU, and then proportionately allocated to the other assets of the CGU on the basis of the carrying amount of each asset in the CGU.

(15) Provisions

The recognition of liability provision means current obligation for past events, so that in the future the Group is most likely to outflow resources with economic benefits to settle it, and the amount of the obligation can be reliably estimated. The provision is discounted at a pre-tax discount rate that reflects the current market's assessment of the time value of money and the specific risk of liabilities. The amortization of the discount is recognized as interest expense.

A provision for warranties is recognized upon the completion of construction. This provision reflects the historical warranty claim rate and the weighting of all possible outcomes against their associated probabilities.

(16) Revenue Recognition

1. Revenue from contracts with customers

The revenue is measured by the consideration expected to be entitled to for the transfer of goods or services. the Group recognizes the revenue when the control over goods or services is transferred to the client, and the performance obligations are met. The accounting policies for the Group's main types of revenue are explained below:

(1) Development of land and buildings

The Group develops and sells residential property, and often pre-sells property during or before construction. the Group recognizes the income upon transfer of control over property asset. Due to contractual restrictions, the property usually has no other use for the Group. Therefore, if the Group transfers the legal ownership of the property to the client, and the date of the actual delivery of the property shall prevail. However, if only one item is completed before the reporting date, but the other item is actually completed during the subsequent period, it is also recognized as income.

Revenue is measured based on the transaction price of the contractual agreement. When sales happen after construction is completed, in most cases, consideration is made upon transfer of legal ownership; however, in some cases, consideration is deferred for less than twelve months per contract terms. Consequently, no adjustment in the transaction price for the effect of financing component of the contract. When sales happen before construction is completed, consideration is payable in installments during the period from singing a contract to transfer of legal ownership of the real property. If a significant financing component is included in the contract, the installments are discounted at the interest rate of the construction loan to reflect the effect of time value of money. Prepayments are recognized as a contract liability in balance sheet, and discounts reflecting the effect of time value of money are recognized as interest expenses in profit or loss. The accumulated contract liabilities are reclassified as revenue upon the transfer of legal ownership.

(2) Customer loyalty program

The Group provides a customer loyalty program to retail customers, and the points obtained by customers' product purchase give customers the right to purchase products at a discount or exchange for gifts from the Group in the future. the Group believes that these points provide important rights that customers would not be able to obtain if they did not sign the contract, so the commitment to provide points to customers is a performance of obligation. the Group allocates the transaction price to the product and these points based on the relative stand-alone selling price. Based on past experience, the management estimates the stand-alone selling price of each point based on the discount given when the points are redeemed and the possibility of redemption; the retail price of the product is used as the basis to estimate the stand-alone price at the time of sale. the Group recognizes contract liabilities on the above-mentioned basis when selling products, and transfers revenue when these points are converted or lapsed.

(3) Consulting and management services

The Group provides business consulting and management services and recognizes the relevant revenue during the financial reporting period of providing labor services. Fixed-price contracts recognize the revenue based on the proportion of actual services provided to the total services as of the reporting date, which is determined by the proportion of costs incurred to the estimated total costs of services.

Estimates of revenues, costs, or extent of progress toward completion, are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period when the circumstances that give rise to the revision become known by the management.

Under a fixed-price contract, the client pays a fixed amount of money according to the agreed schedule. When the service provided exceeds the payment, the contract assets shall be recognized. When the payment exceeds the service provided, the contract liabilities shall be recognized.

(4) Construction contracts

The Group is engaged in the contracting business of residential property and public construction. Since the assets are under the control of clients at the time of construction, the revenue is gradually recognized over time based on the proportion of the construction costs incurred to date to the estimated total contract costs. The contract includes fixed and variable consideration. The client pays a fixed amount of money according to the agreed schedule. Some variable consideration (such as penalty and price adjustment calculated based on overdue days) is estimated by the expected value based on the accumulated experience in the past. the Group recognizes revenue only within the range where the accumulated income is highly unlikely to have a material reversal. If the amount of recognized revenue has not yet been claimed, it shall be recognized as a contract asset. When there is an unconditional right to the consideration, the contract asset shall be transferred to the accounts receivable.

When the Company is unable to measure the stage of completion of a contractual performance obligations, revenue is recognized only to the extent that contract costs incurred are expected to be recoverable.

When the Group estimates that the cost to complete a contract's performance obligations exceeds the expected economic benefits from the contract, a liability provision is recognized for the loss.

Estimates of revenues, costs, or extent of progress toward completion, are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period when the circumstances that give rise to the revision become known by the management.

The Group grants standard warranties on residential real estate and public construction according to contract agreements and recognizes this obligation as provisions - warranty. Refer to Note 6(15) for more details.

(5) Commission income

In the department store business, when the Group acts as agent and not principal in an transaction, it recognizes commission revenue, on a net basis.

(6) Rental income

Rental incomes from investment property are recognized in revenue on a straight-line basis during a lease term. Lease incentives, as a part of economic benefits from the lease, are recognized as a reduction to rental incomes on a straight-line basis during a lease term. Incomes from sublet properties are recognized as an operating income.

(7) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment by the customer exceeds one year, or where financing components have significant impact on individual contacts. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

2. Contract costs

(1) Incremental costs to obtain contract with customers

If the Group expects to recover the incremental cost for acquiring the customer contract, the cost will be recognized as asset. The incremental cost of acquiring contract is cost that will arise in acquiring customer contract and will not arise otherwise The contract acquisition cost no matter the contract will happen or not is recognized as expense, unless the cost is explicitly collectable from customer no matter the contract is acquired or not.

(2) Costs of fulfilling a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfill a contract only if those costs meet all of the following criteria: the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and the costs are expected to be recovered.

For general and administrative costs, costs of wasted materials, labor or other resources to fulfill the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(17) Government subsidies

The Group recognized COVID-19 related government grants with no conditions attached as other income when the grants became receivable. For other asset-related grants, the Group recognizes the deferred revenue at fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The deferred revenue is recognized as other income of depreciation expense over the useful life of the asset on a systematic basis. Government grants intended to compensate expenses incurred or losses of the Group were recognized in profit or loss in the same period as relevant expenses on a systematic basis.

(18) Employee benefits

1. Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

2. Defined benefit plans

The liability recognized in respect of defined benefit pension plans is the present value of the defined benefit obligation (i.e. the benefits that employees have earned in return for their service in the current and prior periods)) at the reporting date less the fair value of plan assets.

The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method. When the calculation result may be beneficial to the Group, the recognized assets shall be limited to the present value of any economic benefits available in the form of refunding the contribution from the plan or reducing the future contribution to the plan. When calculating the present value of economic benefits, any minimum funding requirements are considered.

The remeasurement of net defined benefit liabilities, including actuarial gains and losses, plan asset returns (excluding interest), and any changes in the impact of the asset ceiling (excluding interest), are immediately recognized in other comprehensive income and accumulated in retained earnings. The net interest expense (income) of the net defined benefit liabilities (assets) determined by the Group is the net defined benefit liabilities (assets) and the discount rate determined at the beginning of the annual reporting period. The net interest paid and other expenses of the benefit plan are recognized in profit and loss.

When the plan is revised or reduced, the number of changes in benefits related to the past service costs or reduced benefits or losses is immediately recognized as profit or loss. When the settlement occurs, the Group shall recognize the settlement profit and loss of the defined benefit plan.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as expenses when services are provided. If the Group has current legal or constructive payment obligations due to the past services provided by employees and the obligations can be estimated reliably, the amount shall be recognized as liabilities.

(19) Income taxes

Income taxes include current and deferred income taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current income tax includes the estimated income tax payable or tax refund receivable calculated based on the taxable income (loss) of the current year, and any adjustments to income tax payable or tax refund receivable in previous years. The amount is the best estimate of the expected payment or receipt based on the legal tax rate or substantively enacted tax rate on the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. The temporary difference for the following conditions will not be recognized as deferred income tax:

1. Temporary arising from the initial recognition of an asset/liability other than in a business merger which, at the time of the transaction, does not affect either the accounting or the taxable profit;
2. Temporary differences arising from investments in subsidiaries, associates, and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences, and it is probable that the differences will not reverse in the foreseeable future; and
3. Temporary differences arising from initial recognition of goodwill.

For unused tax losses and unused income tax deduction at the later stage of the transfer and deductible temporary differences, they are recognized as deferred income tax assets to the extent that there is likely to be future taxable income available for use. Such unused tax credits and deductible temporary differences shall also be re-evaluated every year on the financial reporting date, and adjusted based on the probability that future taxable profit will be available against which the unused tax credits and deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

1. The entity has the legal right to settle tax assets and liabilities on a net basis; and
2. The amounts of deferred tax assets and liabilities are:
   (1) Levied by the same taxing authority; or
   (2) Levied by different entities that intend to realize the asset and settle the liability at the same time.

(20) Earnings per Share

The Group presents the basic and diluted earnings per share of shareholders of common stock equity. The consolidation's basic earnings per share signifies that the profit and loss of the common shareholders of the Company divided by the weighted average number of common shares outstanding during the period. The diluted earnings per share is calculated by adjusting the influence of all potential diluted common shares with profit or loss of the Company's common stock holders and weighted average number of common shares outstanding. the Group’s dilutive potential ordinary shares of the Group include stock options for employees.

(21) Segment Information

The operation department, as part of the Group, is engaged in operating activities for gaining income or incurring expenses (including income and expense related to the transaction with other departments in the Group). The operation results of all operation departments are regularly re-checked by major operation decision-makers of the Group, to make decisions on resources allocation and assess the performance. Every operation segment has its independent financial information.

5. Significant Accounting Judgments and Major Sources of Estimation and Assumption Uncertainty

When preparing the consolidated financial statements according to preparation standards and IFRS recognized by FSC, the management may have to make judgment, estimate, and assumption, which may influence the adoption of accounting policies, and the reporting amount of assets, liabilities, incomes, and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by the management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in the future periods affected.

Information on critical accounting judgments resulting in a material adjustment in the consolidated financial statements of this year: None.

Uncertainty of the following assumptions and estimates carries a significant risk of major adjustments of the resulting asset and liability book amount in the next financial year. It has already reflected the impact of the COVID-19 pandemic. The information is as follows:

(1) Revenue recognition and accrual of contract cost

The recognition of the profit and loss of the construction contract of the Group refers to the recognition of the contract revenue and the contract cost respectively according to the complete degree of the contractual activities and the degree of completion is measured by the proportion of the contract cost incurred so far in the estimated total contract cost. the Group considers the nature, estimated duration, contract projects, construction process, construction method, and estimated contract amount of each project to estimate the total contract cost. The above estimation basis may change due to factors such as the progress of the project, overall price fluctuations and the requirements of the owner. These may result in a material adjustment of the estimated amount.

(2) Inventory valuation

As inventory shall be measured based on the cost or realizable value, whichever is lower; if on the Group's evaluation report date, the inventory has no market value, the inventory cost shall be offset to net realizable value. The net realizable value of the inventory is mainly determined based on the current market conditions. However, due to political, economic and real estate tax reforms, the above estimation may have a significant change. See Note 6(5) for details of inventory valuation.

Valuation method

In its accounting policy and disclosure, the Group adopts fair value to measure financial and non-financial assets as well as liabilities. To make valuation close to market conditions, the Group tests measurements with independent data sources and verifies that the data sources are independent, reliable, and consistent with other data as well as represents exercisable prices. To ensure valuation results are reasonable, the Group regularly calibrates valuation models, performs retrospective testing, updates valuation models with necessary inputs and data for fair value measurement. The valuation of investment property is in accordance with valuation methods and parameter assumptions published by FSC and is reassessed by the management or appraised by a third party on a regular basis.

In the fair value measurement of its assets and liabilities, the Group applies observable market inputs as much as possible. A fair value hierarchy categorizes the inputs used in valuation techniques into three levels:

- Level 1: (unadjusted) quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. quoted prices of similar assets or liabilities) or indirectly (derived from such prices).
- Level 3: inputs for assets or liabilities not based on readily observable inputs on the market (unobservable inputs)

Any transfers between the fair value hierarchy are recorded at the reporting date. Disclosures on assumptions applied in the fair value measurement are as below:

1. Refer to Note 6(9) Investment Property.
2. Refer to Note 6(24) Financial instrument.

6. Description of Significant Accounting Items

(1) Cash and cash equivalents

		2021.12.31	2020.12.31
Petty cash and cash on hand	$	12,051	13,273
Bank deposits			
Check deposits		3,070,313	2,640,956
Demand deposits		7,657,754	1,717,111
Time deposits		-	1,548
Cash equivalents		5,340,444	7,137,861
	$	16,080,562	11,510,749

Maturity of these cash equivalents ranges from January to February 2022, and from January to March 2021; interest rate of these cash equivalents ranges from 0.25% to 0.27% and from 0.24% to 0.28%.

For the disclosed information on the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group, please refer to Note 6(24).

(2) Financial assets at fair value through profit or loss

		2021.12.31	2020.12.31
Financial assets mandatorily measured at fair value through profit or loss:			
TWSE (or TPEx) listed company shares	$	124,600	67,661

1. For the gains or losses on remeasurement at fair value, please refer to Note 6(23).
2. As of December 31, 2022, and 2021, none of the financial assets of the Group was pledged as collateral.

(3) Financial assets at fair value through other comprehensive income

		2021.12.31	2020.12.31
Equity investments measured at FVTOCI			
TWSE (or TPEx) listed Company shares	$	1,944	-
Non-TWSE (nor TPEx) listed company shares		10,520	8,731
Total	$	12,464	8,731

1. Equity investments measured at FVTOCI

   The equity instrument investment held by the Group is a long-term strategic investment and not held for trading purposes, so it has been designated to be measured at fair value through other comprehensive income.

For the equity instrument investment designated as measured at fair value through other comprehensive income, the dividend incomes recognized by the Group in 2021 and 2020 were NT$428 thousand and NT$496 thousand.

the Group did not dispose of strategic investment in 2021 and 2020, and accumulated profit and loss during that period were not transferred within the equity.

2. For credit risk (including impairment of debt instrument investment) and market risk information, please refer to Note 6(24).
3. None of the aforementioned financial assets has been pledged as collateral.

(4) Notes and accounts receivable

		2021.12.31	2020.12.31
Notes receivable	$	275	858
Accounts receivable		1,265,714	2,225,979
Less: Allowance for losses		(12,876)	-
	$	1,253,113	2,226,837

the Group applies the simplified approach to the estimation of expected credit losses, that is, a loss allowance is recognized based on lifetime expected credit losses. To measure the expected credit losses, notes and accounts receivable were grouped based on shared characteristics of credit risk on remaining payments before due date, and forward-looking information was included as well. The analysis on the expected credit loss of notes receivable and accounts receivable of the Group is as follows:

	2021.12.31			
		Carrying amount	Weighted average expected credit loss rate	Allowance for lifetime expected credit losses
Not past due	$	1,253,113	-	-
Past due 90 days and above		12,876	100%	12,876
	$	1,265,989		12,876

	2020.12.31			
		Carrying amount	Weighted average expected credit loss rate	Allowance for lifetime expected credit losses
Not past due	$	2,226,837	-	-

The changes of loss allowance of notes receivable and accounts receivable of the Group is as follows:

	2021	2020
Beginning balance	$ -	-
Impairment losses recognized	12,885	11,587
Reversal of impairment loss	-	(11,587)
Amounts written off as uncollectible during the year	(9)	-
Ending Balance	$ 12,876	-

As of December 31, 2021, and 2020, none of the receivables of the Group were pledged as collateral.

(5) Inventories

	2021.12.31	2020.12.31
Inventory - trading	$ 9,789	9,739
Inventory - construction		
Prepayment for buildings and land	4,235	4,235
Land held for construction	2,609,060	2,766,445
Construction in progress	8,519,284	12,744,721
Buildings and land held for sale	10,098,676	12,778,614
Subtotal	21,231,255	28,294,015
Total	$ 21,241,044	28,303,754

The amount of inventory valuation loss recognized in net realizable value due to written down inventories was NT$6,667 and NT$0 for 2021 and 2020, respectively, and was recognized as cost of goods sold.

For the years ended December 31, 2021 and 2020, the capitalization rates applied in the calculation of construction in progress were 1.756% and 1.869%. Refer to Note 6(23) for details on the amounts of capitalization.

As of December 31, 2021, and 2020, the Group entrusted the statutory parking spaces held for sale to other parties, which amounted to NT$16,332 thousand in all periods.

See Note 8 for details about the provision of inventories of the Group as the pledge guarantee as of December 31, 2021, and 2020.

(6) Subsidiary with material non-controlling interests

Subsidiaries with material non-controlling interests to the Group were as follows:

Subsidiary name	Principal places of business / Country of registration	Proportion of ownership interest and voting right of non-controlling interests	
		2021.12.31	2020.12.31
Kedge Construction Co., Ltd. and subsidiaries	Taiwan	65.82%	65.82%

The following combined financial information, prepared in conformity with the Regulations and IFRSs approved by the FSC, reflects any adjustments to the fair value at the acquisition date and adjustments to accounting policy differences. The amount of inter-company transactions before elimination are as follows:

Combined financial information on Kedge Construction Co., Ltd. and subsidiaries:

	2021.12.31	2020.12.31
Current assets	$ 8,531,294	8,752,989
Non-current assets	746,449	680,667
Current liabilities	(5,576,580)	(6,202,049)
Non-current liabilities	(190,024)	(162,329)
Net assets	$ 3,511,139	3,069,278
Carrying amount of non-controlling interests	$ 1,642,010	1,342,972

	2021	2020
Operating revenue	$ 10,772,322	14,130,629
Net income	$ 740,492	626,444
Other comprehensive income	82,990	19,766
Total comprehensive income	$ 823,482	646,210
Net income attributable to non-controlling interests in this period	$ 550,639	495,475
Total comprehensive income attributable to non-controlling interests	$ 550,137	496,246
Cash flows from operating activities	$ 267,343	1,985,937
Cash flows from investing activities	(16,219)	(83,932)
Cash flows from financing activities	(334,404)	(320,222)
Net increase in cash and cash equivalents	$ (83,280)	1,581,783
Dividends paid to non-controlling interests	$ 251,236	209,364

(7) Property, plant and equipment

The changes in the cost, depreciation and impairment losses of property, plant and equipment in 2021 and 2020 of the Group are as follows:

	Land	Buildings	Leasehold improvements	Other equipment (including transportation equipment, office equipment, machinery, other equipment and leased assets)	Construction in progress	Total
Cost or deemed cost:						
Balance as of January 1, 2021	$ 3,567,078	4,302,115	995,377	344,728	9,492	9,218,790
Addition	-	25,847	29,791	39,042	68,314	162,994
Transfer into (out of) construction in progress	-	31,358	33,035	9,803	(74,354)	(158)
Reclassification	-	-	-	189	-	189
Disposal and scrap	-	-	(870)	(2,093)	-	(2,963)
Leasehold improvement paid by retailers	-	(3,826)	(9,681)	-	-	(13,507)
Balance as of December 31, 2021	$ 3,567,078	4,355,494	1,047,652	391,669	3,452	9,365,345
Balance as of January 1, 2020	$ 3,567,078	4,290,675	1,002,139	287,526	158	9,147,576
Addition	-	31,936	9,661	73,173	9,334	124,104
Disposal and scrap	-	-	(152)	(15,160)	-	(15,312)
Reclassified into the contract asset	-	-	-	(811)	-	(811)
Leasehold improvement paid by retailers	-	(20,496)	(16,271)	-	-	(36,767)
Balance as of December 31, 2020	$ 3,567,078	4,302,115	995,377	344,728	9,492	9,218,790
Depreciation and impairment Losses						
Balance as of January 1, 2021	$ -	1,730,573	692,172	209,879	-	2,632,624
Depreciation for the year	-	111,610	58,702	37,470	-	207,782
Disposal and scrap	-	-	(1,034)	(1,881)	-	(2,915)
Impairment losses	-	15,653	6,000	2,965	-	24,618
Balance as of December 31, 2021	$ -	1,857,836	755,840	248,433	-	2,862,109
Balance as of January 1, 2020	$ -	1,626,374	621,320	196,088	-	2,443,782
Depreciation for the year	-	104,199	62,935	29,086	-	196,220
Disposal and scrap	-	-	(83)	(15,160)	-	(15,243)
Impairment losses	-	-	8,000	-	-	8,000
Reclassified into the contract asset	-	-	-	(135)	-	(135)
Balance as of December 31, 2020	$ -	1,730,573	692,172	209,879	-	2,632,624
Carrying amount:						
December 31, 2021	$ 3,567,078	2,497,658	291,812	143,236	3,452	6,503,236
January 1, 2020	$ 3,567,078	2,664,301	380,819	91,438	158	6,703,794
December 31, 2020	$ 3,567,078	2,571,542	303,205	134,849	9,492	6,586,166

1. Impairment loss

   On December 31, 2021, and 2020, the Group recognized an impairment loss of NT$24,618 thousand and NT$8,000 thousand to recognize the impairment losses. Please refer to Note 6(23).

2. Collateral

   Please refer to Note 8 for details of collateral for the financing line as of December 31, 2021, and 2020.

(8) Right-of-use assets

Details of changes in cost and depreciation of leased houses and buildings and transport equipment of the Group are as follows:

	Buildings	Transportation equipment	Total
Cost of right-of-use assets:			
Balance as of January 1, 2021	$ 3,890,784	13,394	3,904,178
Addition	-	3,395	3,395
Lease modifications	(6,148)	-	(6,148)
Balance as of December 31, 2021	**$ 3,884,636**	**16,789**	**3,901,425**
Balance as of January 1, 2020	$ 2,943,262	5,214	2,948,476
Addition	939,608	8,180	947,788
Lease modifications	7,914	-	7,914
Balance as of December 31, 2020	**$ 3,890,784**	**13,394**	**3,904,178**
Depreciation and impairment losses of the right-of-use assets:			
Balance as of January 1, 2021	$ 351,108	4,072	355,180
Depreciation for the period	206,832	5,143	211,975
Lease modifications	(2,459)	-	(2,459)
Balance as of December 31, 2021	**$ 555,481**	**9,215**	**564,696**
Balance as of January 1, 2020	$ 158,544	677	159,221
Depreciation for the period	192,564	3,395	195,959
Balance as of December 31, 2020	**$ 351,108**	**4,072**	**355,180**
Carrying amount:			
December 31, 2021	**$ 3,329,155**	**7,574**	**3,336,729**
January 1, 2020	**$ 2,784,718**	**4,537**	**2,789,255**
December 31, 2020	**$ 3,539,676**	**9,322**	**3,548,998**

(9) Investment Property

Details of the Group's investment property are as follows:

	Land and improvements	Buildings	Total
Cost or deemed cost:			
Balance as of January 1, 2021	$ 335,287	216,663	551,950
Balance as of December 31, 2021	$ 335,287	216,663	551,950
Balance as of January 1, 2020	$ 335,287	216,663	551,950
Balance as of December 31, 2020	$ 335,287	216,663	551,950
Depreciation and impairment Losses			
Balance as of January 1, 2021	$ -	45,775	45,775
Depreciation for the year	-	4,513	4,513
Balance as of December 31, 2021	$ -	50,288	50,288
Balance as of January 1, 2020	$ -	41,263	41,263
Depreciation for the year	-	4,512	4,512
Balance as of December 31, 2020	$ -	45,775	45,775
Carrying amount:			
December 31, 2021	$ 335,287	166,375	501,662
January 1, 2020	$ 335,287	175,400	510,687
December 31, 2020	$ 335,287	170,888	506,175
Fair value:			
December 31, 2021			$ 673,652
December 31, 2020			$ 1,169,284

Investment properties are commercial real estates leased to third parties. Refer to Note 6(16) for details.

Fair value of investment properties is determined by the valuation of an independent appraiser (licensed in related professions and currently experienced in appraising similar properties) or by the Company's self-assessment (referring to the sales price of similar real estate transactions in the neighborhood). These inputs used in the fair value measurement were classified to Level 3.

The fair value measurement is assessed using the market approach and income approach. When quoted prices in an active market are not available, fair value of investment properties is determined by the present value of total future cash flows generate over the property's lifetime, discount at rates reflecting special risks of such cash flows. The discount rate applied for the years ended December 31, 2021, and 2020, ranged at 1.18% to 1.55% and 1.18% to 1.85%.

See Note 8 for details about the provision of investment property of the Group as the pledge guarantee as of December 31, 2021, and 2020.

(10) Intangible assets

The cost and amortization of the intangible assets of the Group for 2021 and 2020 are as follows

		Service concessions	Trademarks and patents	Computer software and others	Total
Cost:					
Balance as of January 1, 2021	$	54,199	500	113,025	167,724
Capitalized R&D		-	-	14,488	14,488
Transfer from prepayments		-	-	459	459
Balance as of December 31, 2021	$	**54,199**	**500**	**127,972**	**182,671**
Balance as of January 1, 2020	$	54,199	500	125,044	179,743
Capitalized R&D		-	-	15,748	15,748
Transfer from prepayments		-	-	881	881
Disposal		-	-	(28,648)	(28,648)
Balance as of December 31, 2020	$	**54,199**	**500**	**113,025**	**167,724**
Amortization and impairment loss:					
Balance as of January 1, 2021	$	29,674	500	88,314	118,488
Amortization for the year		3,473	-	6,306	9,779
Balance as of December 31, 2021	$	**33,147**	**500**	**94,620**	**128,267**
Balance as of January 1, 2020	$	26,205	467	110,241	136,913
Amortization for the year		3,469	33	6,721	10,223
Disposal		-	-	(28,648)	(28,648)
Balance as of December 31, 2020	$	**29,674**	**500**	**88,314**	**118,488**
Carrying amount:					
December 31, 2021	$	**21,052**	**-**	**33,352**	**54,404**
January 1, 2020	$	**27,994**	**33**	**14,803**	**42,830**
December 31, 2020	$	**24,525**	**-**	**24,711**	**49,236**

1. For the amount of amortization of intangible assets included in the consolidated statements of comprehensive income for the years ended December 31, 2021, and 2020, please refer to Note 12.

2. As of December 31, 2021 and 2020,none of the Group's assets was pledged as collateral.

(11) Other financial assets - current and incremental costs of obtaining a contract

	2021.12.31	2020.12.31
Other financial assets - current	$ 2,299,051	2,262,304
Incremental costs of obtaining a contract	50,897	121,038
	$ 2,349,948	2,383,342

1. Other financial assets - current

   For details on collateral pledged on restricted assets (loans and reserve accounts and trust), refundable deposits on constructions, and time deposits that do not meet the definition of cash equivalents, please refer to Note 8.

2. Incremental costs of obtaining a contract - current

   the Group expected to recover the commissions paid to the third-party real estate agent and bonus paid to the internal sales department and thus recognized these costs as assets. These costs are amortized upon revenue recognition of real estate sales. For the years ended on December 31, 2021 and 2020, the amount of incremental costs were NT$110,885 thousand and NT$246,654 thousand, respectively.

(12) Short-term and long-term loans/long-term loans due within one year or one operating cycle

The details, conditions, and terms for short-term and long-term loans of the Group are as follows:

	2021.12.31			
	Currency	Interest rate collars	Maturity year	Amount
Secured bank loans	NTD	1.41%~1.90%	111~116	$ 11,983,298
Unsecured bank loans	NTD	1.05%~2.44%	111~112	4,613,667
Total				$ 16,596,965
Current				$ 14,763,405
Non-current				1,833,560
Total				$ 16,596,965

	2020.12.31			
	Currency	Interest rate collars	Maturity year	Amount
Secured bank loans	NTD	1.44%~1.78%	110~116	$ 13,021,351
Unsecured bank loans	NTD	1.10%~2.44%	110~112	4,455,000
Total				$ 17,476,351
Current				$ 15,319,111
Non-current				2,157,240
Total				$ 17,476,351

1. Issuance and repayment of loans

   For the years ended December 31, 2021, and 2020, the amounts of new issuance were NT$4,871,600 thousand and NT$9,819,595 thousand, respectively, and those of redemption were NT$5,750,986 thousand and NT$13,638,518 thousand, respectively.

2. Collateral

   For details on the Group's assets used as collateral for bank loans, please refer to Note 8.

3. Syndicated loans

   - The subsidiaries entered into a syndicated loan agreement with the Land Bank of Taiwan (the lead bank of the syndicated loan) and three other banks in May 2011, in the amount of NT$4,500,000 thousand over fifteen years, divided into 15 terms, with one term being one year.
   - According to the syndicated loan agreements: (1) for the long-term secured loan, revolving credits are disallowed; the first repayment starts a year from the date of initial withdrawal, and the subsequent repayments are scheduled every year for the next fifteen years; (2) for the middle-term secured loan of NT$500,000 thousand, revolving credits are permitted within a period of five years. The effective rate is benchmark interest rate announced by the Land Bank of Taiwan plus an annual interest rate of 0.90% and 1.00%. Payments are due monthly.
   - Restricted by the syndicated loan agreement, subsidiaries are required to maintain certain financial ratios, calculated based on its financial statements, as follows:

   (1) Total liabilities to total assets: Not exceeding 150%.

   (2) Interest coverage ratio: At or above 2.00.

   (3) Shareholders' interest: More than NT$3 billion.

   Compliance with the syndicated loan agreement is audited by the borrower's CPAs based on the financial audit report for the year. Any violations of the loan agreement terms or the financial ratios are to be corrected within a year starting on June 1 of the fiscal year following the year of the audit report. If corrections are not made within the allowed time, the remaining amount of the principal, penalty and the interests incurred therefrom are due to the lead bank of the syndicated loan.

   The Group has made a prepayment to the aforementioned syndicated loans in March 2020.

(13) Bonds payable and convertible corporate bonds due within one year or one operating cycle, and current portion of convertible corporate bonds

Details on corporate bonds payable are as follows:

	2021.12.31	2020.12.31
Secured ordinary corporate bonds - current	$ -	1,500,000
Secured ordinary corporate bonds - non-current	4,000,000	4,000,000
Total	**$ 4,000,000**	**5,500,000**

1. The Group issued a secured corporate bond on October 7, 2020, in the amount of NT$ 1,000,000 thousand, at the rate of 0.60%, for the duration of 5 years.

2. For details on the aforementioned secured ordinary corporate bonds, please refer to Note 8.

(14) Lease liabilities

The carrying amount of lease liability is as follows:

	2021.12.31	2020.12.31
Current	$ 181,149	159,420
Non-current	$ 3,340,967	3,521,533

For the details on the analysis of the maturity profile of lease liabilities, please refer to Note 6(24).

The amount of lease liabilities recognized in income is as follows:

	2021	2020
Interest expense on lease liability	$ 63,969	61,469
Expenses relating to short-term leases and low-value asset leases	$ 12,344	22,137
Lease subsidies related to COVID-19 (other income)	$ 42,785	17,542

The amount of lease liabilities recognized in statements of cash flows is as follows:

	2021	2020
Variable lease payments not accounted for in lease liability	$ 80,387	77,995
Total cash used in lease	$ 315,185	281,081

1. Lease of buildings and constructions

(1) The land on Gongyuan Road in Pingtung City is leased from Pingtung Irrigation Association. The lease term was twenty years and the lease payment was of a certain percentage of the land assessed by the government. In the second half of 2011, the lease was extended for another ten years. A loyalty fee of NT$16,000 thousand was paid to obtain the right of first refusal in the two years prior to the lease expiration date and to renew the lease with pre-negotiated terms and conditions.

(2) The mall in Zuoying HSR station is leased from Taiwan Railways Administration of the Ministry of Transportation and Communications (MOTC) under a service concession contract. The term is thirteen years (including a year for leasehold improvement) and the operation will be handed over to Taiwan Railways Administration at the lease expiration date. The lease payment, or the annual concession fee, includes both a flat amount and a percentage of retail sales revenue.

(3) The mall in Banqiao HSR station is leased from Taiwan Railways Administration, MOTC under a service concession contract. The lease term is sixteen years (including a year for leasehold improvement) and the lease payment, or the annual concession fee, is a fixed loyalty fee for the first four years with a 3% increment each year after. Certain proportion of the lease payments is determined based on the sales amount of the stores of the Group during the lease period.

(4) The mall in Nangang HSR station is leased from Taiwan Railways Administration, MOTC under a service concession contract. The lease term is sixteen years (including a year for leasehold improvement), and the lease payment, or the annual concession fee, includes both a flat amount and a percentage of retail sales revenue.

(5) The mall in A9 Linkou Station of MRT Taoyuan Airport Line is leased from the Bureau of High Speed Rail and the Railway Bureau, MOTC under the "Lease Contract of Shopping Mall at Linkou Station of the Taiwan Taoyuan International Airport Access MRT System" and "Lease Contract of Shopping Mall at A19 Station of the Taiwan Taoyuan International Airport Access MRT System", respectively. The lease term is twenty years starting from the contract commencement date, and the lease payment is the greater of the flat concession fee committed in the contract or a variable concession fee. The variable concession fee is a percentage of retail sales revenue and non-operating income of actual operation, plus lease payments on the land and buildings.

(6) The mall and parking lot in Linkou A8 Chang Gung Memorial Hospital Station of MRT Taoyuan Airport Line is leased from Asia Pacific Development Co. The lease term is twenty years starting from the first date of operation, and the lease payment on the mall is the greater of a flat fee or a percentage of retail sales revenue.

2. Other leases

the Group leases transportation equipment and the lease period is three years. the Group leases office equipment and outdoor fixed-spot advertising. These leases are for short-term and low-value items, and the Group chooses to apply the exemption recognition requirement instead of recognizing their right-of-use assets and lease liabilities.

(15) Provisions

		Warranties
Balance as of January 1, 2021	$	150,363
Additions		37,076
Used		(5,813)
Balance as of December 31, 2021	**$**	**181,626**
Balance as of January 1, 2020	$	102,482
Additions		53,233
Used		(4,999)
Reversal liability provision for the period		(353)
Balance as of December 31, 2020	**$**	**150,363**

In 2021 and 2020, the warranty provisions of the Group are mainly related to construction contracting. The warranty provisions are estimated based on the historical warranty data of various constructions. the Group expects that the liability will occur mostly one year after the construction acceptance.

(16) Operating lease (lessor)

Regarding the investment property leased by the Group, the Group does not transfer all risks and returns attached to the ownership of the underlying assets, so the tenancy agreement is classified as an operating lease. For details, please refer to Note 6(9) investment property.

The maturity analysis of the lease payment is listed as follows according to the non-discounted future cash flows of lease receivable after the reporting date:

	2021.12.31	**2020.12.31**
Not later than 1 year	$ 5,789	13,240
1~2 years	5,726	7,136
2~3 years	5,726	4,571
3~4 years	5,726	4,590
4~5 years	5,726	4,820
Above 5 years	18,768	4,620
Non-discounted future cash flows of lease	**$ 47,461**	**38,977**

For the years ended on December 31, 2021,and 2020, the rental income from investment property both amounted to NT$11,443 thousand and NT$13,248 thousand, respectively; no significant repair and maintenance expenses were recognized.

(17) Employee benefits

1. Defined benefit plans

The reconciliation between the present value of defined benefit obligations and the fair value of plan assets for defined benefit plans was as follows:

	2021.12.31	**2020.12.31**
Present value of defined benefit obligations	$ 31,567	34,797
Fair value of plan assets	(31,070)	(32,218)
Net defined benefit (assets) liabilities	**$ 497**	**2,579**

Details on employee benefit liabilities were as follows:

	2021.12.31	**2020.12.31**
Short-term compensated absences liability	**$ 21,907**	**22,278**

The Group makes defined benefit plan contributions to the pension fund account at the Bank of Taiwan that provides pensions for employees upon retirement. The plans covered by the Labor Standards Act entitle a retired employee to receive retirement benefits based on years of service and average salary for the six months prior to retirement.

(1) Composition of plan assets

The Group allocates pension funds in accordance with the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group’s contributions to the pension funds were deposited with Bank of Taiwan, which amounted to NT$31,070 thousand as of the end of the reporting period. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(2) Movements in present value of the defined benefit obligations

The changes in the present value of defined benefit obligations of the Group in 2021 and 2020 are as follows:

	2021	2020
Defined benefit obligations at January 1	$ 34,797	35,266
Current service costs and interest cost (income)	278	294
Remeasurement on the net defined benefit liabilities (assets)		
— Actuarial loss (gain) arising from changes in financial assumption	722	747
Experience adjustments	(172)	1,810
Benefits paid by the plan	(4,058)	(3,320)
Fair value of plan assets at December 31	**$ 31,567**	**34,797**

(3) Movements in fair value of plan assets

Changes in fair value of defined benefit plan assets of the Group in 2021 and 2020 are as follows:

		2021	2020
Fair value of plan assets at January 1	$	32,218	29,946
Interest income		261	244
Remeasurement on the net defined benefit liabilities (assets)			
Return on plan assets (excluding amounts included in net interest expense)		(1,577)	1,324
Contributions paid by the employer		4,226	4,024
Benefits paid by the plan		(4,058)	(3,320)
Fair value of plan assets at December 31	**$**	**31,070**	**32,218**

(4) The Group had no upper limit impact on defined benefit plan assets in 2021 and 2020.

(5) Expenses recognized in profit or loss

The details of account items reported as expenses for 2021 and 2020 of the Group are as follows:

		2021	2020
Current service costs	$	101	93
Net interest of net defined benefit liabilities (assets)		(84)	(43)
	$	**17**	**50**
Operating costs	$	(30)	(16)
Administrative expenses		47	66
	$	**17**	**50**

(6) Remeasurement of the net defined benefit liabilities (assets) recognized in other comprehensive income

The re-measurement amount of the net defined benefit liabilities (assets) recognized as other consolidated benefit and losses in 2021 and 2020 of the Group is as follows:

		2021	2020
Cumulative balance as of January 1	$	(8,768)	(7,534)
Recognized for the year		(2,128)	(1,234)
Cumulative Balance as of December 31	**$**	**(10,896)**	**(8,768)**

(7) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	2021.12.31	**2020.12.31**
Discount rate	0.55%	0.80%
Future salary increases rate	1.75%	1.75%～2%

Based on the actuarial report, the Group is expected to make a contribution payment of NT$4,226 thousand to the defined benefit plans for the one-year period after the reporting date of 2021.

The weighted average survival period of defined benefit plan is 8.5 to 11.4 years.

(8) Sensitivity analysis

The impact of changes in the main actuarial assumptions to be adopted on December 31, 2021, and 2020 on the present value of defined benefit obligations is as follows:

	The impact on the defined benefit obligation	
	Increase by 0.25%	**Decrease by 0.25%**
December 31, 2021		
Discount rate (change by 0.25%)	(722)	746
Future salary increases rate (change by 1%)	3,083	(2,758)
December 31, 2020		
Discount rate (change by 0.25%)	(931)	965
Future salary increases rate (change by 1%)	3,992	(3,546)

Reasonably possible changes to one of the relevant actuarial assumptions, holding other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. This analysis shows the isolated effect of changing one individual assumption, but in fact, many assumptions are correlated. There were no changes in the method and assumptions used in the preparation of sensitivity analysis for the current period and for the prior periods.

There were no changes in the method and assumptions used in the preparation of sensitivity analysis for the prior periods.

2. Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The cost of the Group’s pension contributions to the Bureau of Labor Insurance for the years ended December 31, 2021, and 2020 amounted to NT$37,055 thousand and NT$35,519 thousand, respectively.

(18) Income taxes

1. Income tax expense

Details of income tax expenses of the Group in 2021 and 2020 are as follows:

	2021	2020
Current tax expenses		
Accrued in current period	$ 570,574	665,872
Surtax on unappropriated earnings	84,484	40,140
Adjustments to income tax expenses of previous period	(3,001)	(10,204)
Land revaluation increment tax	261,779	290,920
	913,836	986,728
Deferred income tax expenses		
Reversal of tax loss recognized for the prior periods	1,500	(395)
Origination and reversal of temporary differences	(13,983)	(2,671)
	(12,483)	(3,066)
Income tax expenses on units in continuing operation	**$ 901,353**	**983,662**

For 2021,and 2020, no income tax expenses of the Group are recognized in equity or other comprehensive income.

The relationship between the income tax expense and the profit before tax of the Group in 2021 and 2020 is adjusted as follows:

	2021	2020
Net income before tax	$ 4,978,686	4,888,799
Income tax using the Company's domestic tax rate	$ 995,737	977,760
Non-taxable incomes	(312,863)	(221,282)
Deferred tax on interest expenses	(2,550)	17,555
Deferred tax on interest expenses	(8,009)	(21,343)
Valuation gain on financial assets measured at fair value through profit or loss	(3,824)	(35)
Changes in recognized temporary differences	(4)	4,369
Timing differences	(51,221)	29,165
Tax loss of unrecognized deferred tax assets for the current period	22,489	3,340
Loss carryforward	-	(55,848)
Under (over) provision for the prior periods	(3,001)	(10,204)
Land revaluation increment tax	261,779	290,920
Total land price increase	(26,176)	(42,118)
Surtax on unappropriated earnings	84,484	40,140
Realized investment loss	(34,491)	-
Others	(20,997)	(28,757)
	$ 901,353	**983,662**

2. Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

The Group's unrecognized deferred tax assets were as follows:

	2021.12.31	2020.12.31
Deductible temporary differences	$ 8,251	7,060
Tax losses	99,580	83,783
	$ 107,831	**90,843**

Tax losses are permitted by Income Tax Act, according to which, operating losses for the prior ten periods can be deducted from operating profits for the respective period before the calculation of income tax, so long as the operating losses are assessed by tax collection agencies. Instead of recognized as a deferred income tax asset, the tax losses is recognized as temporary differences, for the Group expects sufficient future taxable profits to offset the tax losses.

As of December 31, 2021, the deduction period for the tax loss of deferred income tax assets recognized and those not recognized by the Group is as follows:

Year of operating loss	Amount of deductible losses	Expiration year
Assessed operating losses for fiscal year 2012	$ 6,329	2022
Assessed operating losses for fiscal year 2013	41,055	2023
Assessed operating losses for fiscal year 2014	17,243	2024
Assessed operating losses for fiscal year 2015	34,098	2025
Assessed operating losses for fiscal year 2016	29,999	2026
Assessed operating losses for fiscal year 2017	20,447	2027
Assessed operating losses for fiscal year 2018	17,364	2028
Assessed operating losses for fiscal year 2019	247,509	2029
Assessed operating losses for fiscal year 2020	15,141	2030
Assessed operating losses for fiscal year 2021	68,716	2031
	$ 497,901	

(2) Recognized deferred tax assets

The changes in deferred income tax assets for the year 2021 and 2020 are as follows

	Defined benefit plans	Provisions	Loss carryforward	Others	Total
January 1, 2021	$ 829	30,068	1,895	21,720	54,512
Credit (debit) on income statements	173	6,253	(1,712)	7,770	12,484
December 31, 2021	$ 1,002	36,321	183	29,490	66,996
January 1, 2020	$ 741	20,491	1,500	28,714	51,446
Credit (debit) on income statements	88	9,577	395	(6,994)	3,066
December 31, 2020	$ 829	30,068	1,895	21,720	54,512

3. The tax fillings of Jiequn Investment Co., Ltd. were assessed by the tax collecting agencies for the year ended on December 31, 2020; those of other entities of the Group were assessed for the years ended on December 31, 2019.

(19) Capital and other equity interest

As of December 31, 2021 and 2020, the total value of nominal common stocks both amounted to NT$6,500,000 thousand, with a par value of NT$10 per share, both consisting of 650,000 thousand shares issued. The aforementioned additional share capital are ordinary shares, with 554,170 thousand and 503,791 thousand ordinary shares in issue, respectively. Payment for all issued shares has been received.

1. Issuance of common shares

   The Company was approved by the shareholders' meeting on July 2, 2021 to increase capital by surplus amounted to NT$503,791 thousand with a par value of NT$10 per share, totaling 50,379 thousand shares; the board of directors resolved on July 23, 2021 that the base date for the capital increase was set on August 15, 2021, and the relevant statutory registration procedures have been completed.

2. Capital reserve

   The details of capital reserve were as follows:

		2021.12.31	2020.12.31
Shares premium	$	827,906	827,906
Premium on conversion of corporate bonds		236,408	236,408
Treasury stock transactions		295,974	270,473
Gains on disposal of assets		34,912	34,912
Others		26,724	26,398
	$	**1,421,924**	**1,396,097**

   In accordance with the Company Act, realized capital surplus can only be distributed to shareholders based on their original shareholding percentage as new shares or cash dividends after offsetting losses. The aforementioned realized capital reserve includes capital reserve resulting from premium on issuance of capital stock and earnings from donated assets received. In accordance with the processing standards regarding issuers' collection and issuance of negotiable securities, the capital reserve for capital has to be appropriated, and the total amount of appropriation every year shall not exceed 10% of the paid-in capital.

3. Retained earnings

   The Company's Articles of Incorporation stipulate that the Company's earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and a special reserve shall be set aside in accordance with applicable laws and regulations. The remaining balance, if any, can be distributed to the shareholders as dividends, and bonus dividends according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

(1) Legal reserve

When there is no loss in the Company, the legal reserve will be used to issue new shares or cash dividends upon resolution by the Shareholders' Meeting, to the limit of the part of the reserve that has exceeded 25% of the paid-in capital.

(2) Special reserve

A portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special reserve appropriated during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. If the amount debited to the other shareholders' equity is reversed subsequently, the reversed amount may be distributed. As of December 31, 2021, the balance of special reserve was NT$27,847 thousand.

(3) Earnings distribution

The 2020 and 2019 distributions of earnings were resolved at the general shareholders' meetings on July 2, 2021 and June 19, 2020, respectively. The earnings distributed to owners are as follows:

	2020		2019	
	Dividend rate (NT$)	**Amount**	**Dividend rate (NT$)**	**Amount**
Dividends to common shareholders:				
Cash	$ 2.40	1,209,098	1.50	755,687
Stock	1.00	503,791	-	-
		$ 1,712,889		755,687

4. Treasury stock

As of December 31, 2021 and 2020, the details of shares of the Group held by the Group are as follows:

Unit: thousands shares

	2021.12.31			2020.12.31		
Subsidiary name	**Number of shares**	**Carrying amount (Note)**	**Market value**	**Number of shares**	**Carrying amount (Note)**	**Market value**
Kedge Construction	550	$ 1,222	20,763	500	1,222	16,825
Jiequn Investment	9,373	55,384	353,834	8,518	55,384	286,646
Guanqing Electromechanical	1,768	14,590	66,731	1,607	14,590	54,076
	11,691	**$ 71,196**	**441,328**	**10,625**	**71,196**	**357,547**

Note: In addition, the total amount attributable to non-controlling interests was NT$137,036 thousand.

5. Other equity (net of tax)

	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total
Balance as of January 1, 2021	$ (28,521)	674	(5,540)	(33,387)
ɛ exchange differences yielded by net assets of overseas operating institutions	(1,131)	-	(216)	(1,347)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	2,251	533	2,784
Balance as of December 31, 2021	$ (29,652)	2,925	(5,223)	(31,950)
Balance as of January 1, 2020	$ (26,264)	460	(5,049)	(30,853)
ɛ exchange differences yielded by net assets of overseas operating institutions	(2,257)	-	(429)	(2,686)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	214	(62)	152
Balance as of December 31, 2020	$ (28,521)	674	(5,540)	(33,387)

(20) Earnings per Share

The basic and diluted earnings per share of the Group in 2021 and 2020 are calculated as follows:

1. Basic earnings per share

(1) Net income attributable to the holders of common shares of the Company

	2021	2020
Net income attributable to the shareholders of ordinary shares of the Company	$ 3,508,103	3,353,971

(2) Weighted average number of ordinary shares outstanding

	2021	2020
Number of ordinary shares issued as of January 1	503,791	503,791
Effects of treasury stocks	(11,691)	(11,691)
Effects of stock dividends	50,379	50,379
Weighted-average number of outstanding ordinary shares as of December 31	542,479	542,479

Basic earnings per share	$ 6.47	6.18

2. Diluted earnings per share

(1) Net income attributable to the holders of common shares of the Company (diluted)

	2021	2020
Net income attributable to the shareholders of common stocks of the Company (diluted)	$ 3,508,103	3,353,971

(2) Weighted-average number of outstanding ordinary shares (diluted)

	2021	2020
Weighted-average number of outstanding common stocks (basic) as of December 31	542,479	542,479
Influence of employees' share bonus	1,874	2,497
Weighted-average number of outstanding common stocks (diluted) as of December 31	544,353	544,976
Diluted earnings per share	$ 6.44	6.15

(21) Revenue from contracts with customers

1. Disaggregation of revenue

	2021			
	Development business unit	Construction business unit	Shopping mall business unit	Total
Main regional markets:				
Taiwan	$ 16,098,786	7,939,091	1,153,261	25,191,138
Main products/services:				
Sales of real estate developments	$ 15,886,329	-	-	15,886,329
Sales of construction contracts	187,440	7,936,459	-	8,123,899
Sales commission from department store retailers	-	-	949,519	949,519
Service revenue	2,659	-	17,709	20,368
Rental income	10,232	2,632	79,055	91,919
Other income	12,126	-	106,978	119,104
	$ 16,098,786	7,939,091	1,153,261	25,191,138
Timing of revenue recognition:				
Transfer of products upon a point in time	$ 15,901,114	-	1,096,903	16,998,017
Gradually transferred revenue over time	10,232	2,632	56,358	69,222
Gradually transferred construction over time	187,440	7,936,459	-	8,123,899
	$ 16,098,786	7,939,091	1,153,261	25,191,138

	2020			
	Development business unit	**Construction business unit**	**Shopping mall business unit**	**Total**
Main regional markets:				
Taiwan	$ 17,181,862	8,822,340	1,341,203	27,345,405
Main products/services:				
Sales of real estate developments	$ 16,776,116	-	-	16,776,116
Sales of construction contracts	384,452	8,819,618	-	9,204,070
Sales commission from department store retailers	-	-	1,099,596	1,099,596
Service revenue	9,590	-	31,211	40,801
Rental income	11,704	2,722	86,242	100,668
Other income	-	-	124,154	124,154
	$ 17,181,862	8,822,340	1,341,203	27,345,405
Timing of revenue recognition:				
Transfer of products upon a point in time	$ 16,785,706	-	1,283,982	18,069,688
Gradually transferred revenue over time	11,704	2,722	57,221	71,647
Gradually transferred construction over time	384,452	8,819,618	-	9,204,070
	$ 17,181,862	8,822,340	1,341,203	27,345,405

2. Contract balances

	2021.12.31	**2020.12.31**	**2020.1.1**
Accounts receivable	$ 1,265,714	2,225,979	1,412,568
Less: Allowance for losses	(12,876)	-	-
Total	**$ 1,252,838**	**2,225,979**	**1,412,568**
Contract assets - construction	$ 1,975,776	1,671,567	1,349,793
Less: Allowance for losses	-	-	-
Total	**$ 1,975,776**	**1,671,567**	**1,349,793**
Contract liabilities - construction	$ 454,424	1,247,902	930,947
Contract liabilities - buildings	1,045,946	4,257,365	5,177,387
Contract liabilities - gym	11,584	10,243	10,137
Contract liabilities - customer loyalty points	26,516	11,927	16,828
Contract liabilities - vouchers	70,186	58,210	52,039
Total	**$ 1,608,656**	**5,585,647**	**6,187,338**

For details of accounts receivable and their impairments, please refer to Note 6(4).

The beginning balance of contract liability on January 1, 2021, and 2020, were NT$4,049,760 thousand and NT$1,289,250 thousand, respectively.

The changes in contract assets and contract liabilities are mainly due to the difference between the time when the Group transfers commodity or services to clients to meet the performance obligations and the time when clients pay. For the years ended December 31, 2021, and 2020, no material changes were recognized.

As of December 31, 2021, the Group's prepayments of real estate pre-sales and the related interests were retained in trust accounts of identified banks and recognized as other financial assets - current in the amounts of NT$185,968 thousand. Details on the trust accounts were as follows:

Project code	**2021.12.31**
103C	$ 119,277
104A	66,691
	$ 185,968

(22) Remunerations to employees and directors

The Company's Articles of Incorporation stipulate that, after annual earnings first offset against any deficit, a minimum of 0.5% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration. However, profits must first be taken to offset cumulative losses if any.

In 2021 and 2020 the Company's employee bonus was set aside for NT$53,929 thousand and NT$70,829 thousand respectively, and the Director's remuneration was set aside for NT$53,929 thousand and NT$70,829 thousand, which are estimated on the basis of the Company's pre-tax net profit before deducting the bonus of employees and Directors in each period multiplied by the distribution percentage of the bonus of employees and Directors stipulated in the Articles of Incorporation of the Company, and reported as the operating expenses of 2021 and 2020. If the actual distribution is different from the estimation, the difference will be accounted for as changes in accounting estimates and recognized in profit or loss for the following year. If remuneration to employees is resolved to be distributed in stock, the number of shares is determined by dividing the amount of remuneration by the closing price of the shares on the day prior to the Board of Directors' meeting.

(23) Non-operating revenue and expense

1. Interest income

Details of interest income of the Group in 2021 and 2020 are as follows:

	2021	**2020**
Bank deposits (including short-term securities)	$ 17,423	10,443
Loans and receivables	5,740	8,394
Construction refundable deposits (including deposits)	177	1,089
Other interest income	2,096	1,100
	$ 25,436	**21,026**

2. Other income

Details of other income of the Group in 2021 and 2020 are as follows:

	2021	2020
Dividend income	$ 4,763	3,435

3. Other gains or losses

Details of other gains and losses of the Group in 2021 and 2020 are as follows:

	2021	2020
Gains on foreign exchange	$ 1,163	921
Net profit (loss) on financial assets measured at fair value through profit or loss	53,805	(5,918)
Proceeds from disposals of property, plant and equipment	28	95
Others	(24,001)	(19,707)
Rental income	784	877
Other income	45,511	75,845
Government grant income	51,864	18,178
Impairment loss	(24,618)	(8,000)
Gain on lease modifications	58	-
	$ 104,594	62,291

4. Finance costs

Details of the finance costs of the Group in 2021 and 2020 are as follows:

	2021	2020
Interest expense		
Bank loans	$ 290,604	388,189
Interests on deposits in advance for public land development	86	186
Arranger fees	-	4,875
Transaction fees and interests on corporate bonds	81,550	88,405
Interests on lease liabilities	63,969	61,469
Others	2,015	1,102
Less: Capitalization of interest	(123,107)	(177,430)
	$ 315,117	366,796

(24) Financial instruments

1. Credit risk

(1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(2) Concentration of credit risk

the Group's clientele is mainly public works and the vast majority of consumers. The accounts receivable of the Group's shopping mall business unit is receivables from financial institutions, generated by credit card transactions, that of the construction business unit receivables of construction projects under contracts, and that of the Development business unit receivables of real estate sales. The receivables from financial institutions are directly wired into the Group's bank accounts, and the receivables of real estate sales are paid by individual consumers through wire transfers, cashier's or certified checks and mortgage. Consequently, the credit risks in relations to these receivables are estimated to be minimal and hence can be effectively managed and controlled.

2. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements.

	Book value	Contractual cash flows	Less than 1 year	1-3 years	3-5 years	Over 5 years
December 31, 2021						
Non-derivative financial liabilities						
Long-/short-term loans (including current portion due within one year)	$ 16,596,965	17,029,145	8,219,855	7,510,881	597,787	700,622
Ordinary corporate bonds (including within one year)	4,000,000	4,072,900	-	3,050,281	1,022,619	-
Notes, accounts and other payables	7,011,149	7,011,149	5,044,435	1,966,714	-	-
Guarantee deposits received	97,814	97,814	-	97,814	-	-
Long-term debt (including current portion due within one year) and other non-current liabilities	49,008	49,471	16,579	32,892	-	-
Lease liabilities (including current portion)	3,522,116	4,121,432	240,754	480,964	468,854	2,930,860
	$ 31,277,052	32,381,911	13,521,623	13,139,546	2,089,260	3,631,482
December 31, 2020						
Non-derivative financial liabilities						
Long-/short-term loans (including current portion due within one year)	$ 17,476,351	17,992,481	9,762,165	6,525,559	707,412	997,345
Ordinary corporate bonds (including within one year)	5,500,000	5,612,975	1,506,775	2,045,975	2,060,225	-
Notes, accounts and other payables	6,712,402	6,712,402	4,818,007	1,894,395	-	-
Guarantee deposits received	94,419	94,419	-	94,419	-	-
Long-term debt (including current portion due within one year) and other non-current liabilities	65,344	66,138	16,667	33,069	16,402	-
Lease liabilities (including current portion)	3,680,953	4,344,263	221,697	482,113	473,602	3,166,851
	$ 33,529,469	34,822,678	16,325,311	11,075,530	3,257,641	4,164,196

the Group does not expect that the occurrence timing of cash flows analyzed on due date would arrive significantly earlier, or the actual amount would significantly vary.

3. Interest rate analysis

The interest rate risk exposure of financial assets and financial liabilities of the Group is described in the liquidity risk management of this Note.

The following sensitivity analysis is based on the interest rate exposure of derivatives and non-derivatives on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The interest rate fluctuation of 1% increase or decrease is used internally for reporting the interest rate to management and is the assessment by management regarding the reasonable and possible changes in interest rates.

If the interest rate increases or decreases by 1% the Group's net income will decrease /increase by NT$165,970 thousand and NT$174,764 thousand for the years ended December 31, 2021 and 2020, respectively, assuming all other variable factors remain constant. The net profit after considering interest capitalization will decrease or increase by NT$119,345 thousand and NT$117,787 thousand. This is mainly due to the Group's variable rate borrowings.

4. Other market price risk

If the equity securities price changes on the reporting date (the same basis is adopted for the analysis for both periods, with the assumption that other variable factors remain unchanged), the impacts on the comprehensive gains or losses are as follows:

	2021		**2020**	
Securities price on the reporting date	**Other comprehensive income after tax**	**Net income after tax**	**Other comprehensive income after tax**	**Net income after tax**
Increase by 10%	$ 1,246	12,460	873	6,766
Decrease by 10%	$ (1,246)	(12,460)	(873)	(6,766)

5. Fair value information

(1) Type and fair value of financial instruments

Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of various financial assets and financial liabilities (including fair value level information; the carrying amount of financial instruments not measured at fair value is the reasonable approximation of fair value and the lease liabilities do not have to be revealed according to provisions) are listed as follows:

	2021.12.31				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 124,600	124,600	-	-	124,600
Financial assets at fair value through other comprehensive income	$ 12,464	2,917	-	9,547	12,464
Financial assets at amortized cost					
Cash and cash equivalents	$ 16,080,562	-	-	-	-
Notes, accounts and other receivables	1,257,646	-	-	-	-
Other financial assets-current	2,299,051	-	-	-	-
Other financial assets-non-current	79,142	-	-	-	-
Subtotal	19,716,401	-	-	-	-
Total	$ 19,853,465	127,517	-	9,547	137,064
Financial liabilities at amortized costs					
Long-/short-term loans (including current portion due within one year)	$ 16,596,965	-	-	-	-
Notes, accounts and other payables	7,011,149	-	-	-	-
Corporate bonds payable (including current portion)	4,000,000	-	-	-	-
Long-term payables (including current portion)	49,008	-	-	-	-
Lease liabilities (including current portion)	3,522,116	-	-	-	-
Guarantee deposits received	97,814	-	-	-	-
Total	$ 31,277,052	-	-	-	-

	2020.12.31				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 67,661	67,661	-	-	67,661
Financial assets at fair value through other comprehensive income	$ 8,731	495	-	8,236	8,731
Financial assets at amortized cost					
Cash and cash equivalents	$ 11,510,749	-	-	-	-
Notes and accounts receivable	2,226,837	-	-	-	-
Other financial assets-current	2,262,304	-	-	-	-
Other financial assets-non-current	132,280	-	-	-	-
Subtotal	16,132,170	-	-	-	-
Total	$ 16,208,562	68,156	-	8,236	76,392
Financial liabilities measured at amortized costs					
Long-/short-term loans (including current portion due within one year)	$ 17,476,351	-	-	-	-
Notes, accounts and other payables	6,712,402	-	-	-	-
Corporate bonds payable (including current portion)	5,500,000	-	-	-	-
Long-term payables (including current portion)	65,344	-	-	-	-
Lease liabilities (including current portion)	3,680,953	-	-	-	-
Guarantee deposits received	94,419	-	-	-	-
Total	$ 33,529,469	-	-	-	-

(2) Valuation techniques of financial instruments measured at fair value

Non-derivative financial instruments

Financial instruments traded in active markets are based on quoted market prices. A quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity and debt instruments, as it is a quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial unions, pricing agencies, or governing authorities, and such price can actually reflect those traded frequently in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accordance with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, low trading volumes and high or increasing bid-ask spreads are indications that a market is not active.

The categories and characteristics of fair value measurement for the financial instruments with active markets are as follows:

- The fair value of financial instruments that have active markets and standard terms and conditions are determined with reference to quoted market prices (e.g., publicly traded stocks).

The categories and characteristics of fair value measurement for the financial instruments without active markets are as follows:

- Equity instruments without active market quotes: the fair value is derived from comparable companies in the market and is determined by multiplying the investee's EBITDA with P/E ratio of comparable companies listed in the market. The calculation is then discounted for lack of marketability.

(3) Changes in Level 3 financial assets

	Measured at fair value through other comprehensive income		
	Equity instruments without public quotes	**Bond investment**	**Total**
January 1, 2021	$ 8,236	-	8,236
December 31, 2021	$ 9,547	-	9,547
January 1, 2020	$ 7,923	-	7,923
December 31, 2020	$ 8,236	-	8,236

The aforementioned total gains or losses were included in "unrealized gain (loss) from financial assets measured at FVTOCI." Among them, the assets still held on December 31, 2021 and 2020 are as follows:

	2021	2020
Total profit or loss		
Recognized in other comprehensive income (reported in "Unrealized gain (loss) on valuation of financial assets at fair value through other comprehensive income")	2,303	313

(4) Significant unobservable inputs (Level 3) of fair value measurement

Some of the Group's financial assets at FVTOCI are categorized as measured in Level 3.

Among the financial assets categorized as measured in Level 3, the majority have only one significant unobservable input, except for equity instruments without active market quotes, which have several significant unobservable inputs. The significant unobservable inputs for the equity instruments without active market quotes are independent of each other and are not correlated.

Quantitative information of significant unobservable inputs is as follows:

Item	Valuation technique	Significant unobservable inputs	Relationship of the inputs and fair value
Financial assets measured at FVTOCI - equity instruments without active market quotes	Net Asset Value Method	·et asset value (NT$2,914 thousand as of December 31, 2021)	he higher the net asset value, the higher the fair value
Financial assets measured at FVTOCI - equity instruments without active market quotes	Comparable company valuation	·rice/earnings ratio (22.3 as of December 31, 2020) ·iscount for lack of marketability (15% as of December 31, 2020)	·he higher the ratio, the greater the fair value. ·he higher the discount, the lower the fair value.

(5) Sensitivity analysis of reasonably possible alternative assumptions on fair value measurements in Level 3

The Group' s measurement on the fair value of financial instruments may change if different valuation models or inputs are used. For fair value measurements in Level 3, changes in one or more of the assumptions would have the following effects on profit or loss or other comprehensive income:

	Input	Changes upwards or downwards	Changes of fair value in the current profit or loss		Changes of fair value in other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2021						
Financial assets at fair value through other comprehensive income						
Equity investments without active market quotes	Net asset value	10%	-	-	291	(291)
December 31, 2020						
Financial assets measured at fair value through other comprehensive income (FVTOCI)						
Equity investments without active market quotes	Price/earnings ratio	10%	-	-	219	(219)
Equity investments without active market quotes	Discount for lack of marketability	10%	-	-	284	(284)

(6) Transfer between different levels of Fair value hierarchy

Some of equity instruments held by the Group have active market quotes, and therefore, those are classified in Level 1. For the years ended on December 31, 2021 and 2020, no changes in fair value hierarchy occurred, and therefore, no transfer were recognized.

(25) Financial risk management

1. Overview

the Group is exposed to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. For more details, please refer to the related notes to parent company only financial statements.

2. Structure of risk management

(1) Risk management policy

Enterprises often encounter many uncertainties that may threaten their operations. In order to find and control them as early as possible and reduce the losses caused by risks, good risk management policies are required. The Board of Directors of the Group establishes the overall risk management policy in line with the operating strategy, operating environment and department plan. Its main subjects include the aspects of the environment, internal and external operational flow, and strategic decision-making, etc. In addition, the Board of Directors shall submit risk management reports on various risk management resolutions, delivery matters, supervision and follow-up implementation, so that when future operation and management face similar or identical problems, they can refer to past experience and propose better solutions.

(2) Organization structure of risk management

Every level in the organization structure or every department in the Group has responsibility for risk management. A discovery of any risk shall be reported to the internal audit and senior management, who then shall take related actions in the first place.

The organization structure of risk management is as follows:

Organization name	Responsibilities
Board of Directors	Establish risk management policy Ensure effective operation of and sufficient resources allocated to risk management
Senior management	Execute risk management policy determined by Board of Directors Coordinate cross-functional risk control activities
Internal Audit	Perform routine audits on risk control Monitor risk control activities and report them to Board of Directors and Audit Committee
Others	Compiling results of risk control activities Perform routine activities on risk control Evaluate risk types based on circumstances and propose corresponding action plans

3. Credit risk

Credit risk is the risk of financial losses resulting, when the Group's customers or counter-parties of its financial instruments fail to meet their contractual obligations, principally from the Group's receivables from clients and investment securities.

(1) Accounts receivable and other receivables

The credit risk exposure of the Group is primarily affected by the individual circumstances of each client. The management also considers the statistical data on the basis of Group customers, including the default risk of industry and country, because these factors can also influence credit risk. the Group's revenues in both 2021 and 2020 were derived from sales to domestic customers. The accounts receivable of the Group's shopping mall business unit is receivables from financial institutions, generated by credit card transactions, that of the construction business unit receivables of construction projects under contracts and that of the development business unit receivables of real estate sales. The receivables from financial institutions are directly wired into the Group's bank accounts, the project receivable requires the other party to provide a guarantee or assurance when necessary, and the receivables of real estate sales are paid by individual consumers through wire transfers, cashier's or certified checks and mortgage. Consequently, the credit risks in relations to these receivables are estimated to be minimal.

the Group sets up an allowance doubtful debts account to reflect the estimated incurred cost in accounts receivable and other receivables and investment. The allowance account consists of two components; the main component refers specific losses associated with individual significant exposure to credit risks; and the other component refers to a portfolio of already occurred but yet to have identified losses of a group of similar assets. The portfolio of loss allowance account is determined by historical statistics on payments eventually received for similar financial assets.

(2) Investments

The exposure to credit risk in relation to bank deposits, fixed income investments, and other financial instruments, is measured and monitored by the Group's finance department. Since the Group only deals with banks with good credit rating as well as financial institutions, corporations, and government agencies with investment-grade credit ratings, no concerns on the fulfillment of its counterparty's obligations and no significant exposure to credit risk were recognized.

(3) Guarantees

Policies of the Group stipulates that financial guarantee can be made available to counter-parties with whom the Group has business. As of December 31, 2021, and 2020, the Group provides no endorsements/guarantees mentioned above.

4. Liquidity risk

Liquidity risk is the risk of unfulfilled obligations occurring when the Group cannot settle its financial liabilities with cash or another financial asset. the Group's approach to managing liquidity is to always ensure that it has sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking its reputation.

5. Market risk

Market risk is the risk of changes in the Group's profits or value of its financial instruments resulting from changes in market factors, such as foreign exchange rates, interest rates, and prices of equity instruments. the Group's objective of market risk management is to control its market risk exposure within a bearable range while optimizing the investment return.

(1) Interest rate risk

the Group adopts the most cost-effective strategy in maintaining an appropriate portfolio of fixed and floating interest rates and conducting such assessment regularly.

(2) Other market price risk

the Group is exposed to the risk of market price fluctuation in its equity instruments held for sale with the intention to cover the unfunded portion of the defined benefit obligations. the Group's management adjusts the ratio of equity to debt in its investment portfolio according to fluctuation in market price index. Any material investment in the portfolio is managed separately.

(26) Capital management

the Group's objectives of capital management is to ensure its capacity in operation continuity, to return profits to its shareholders and other stakeholders, and to optimize its capital structure to reduce cost of capital.

In maintaining or adjusting the capital structure, the Group may settle liabilities through adjustments in dividend payment or capital return to its shareholders, issuance of new shares, or disposal of assets.

The group, like its peer companies, control capital management on the basis of debt-to-capital ratio, which is net debt divided by total capital. The net debt is the total liabilities less cash and cash equivalents. The total capital is total equity (including share capital, capital reserve, retained earnings, other equity, and non-controlling equity) plus net debt.

For the years ended December 31, 2021 and 2020, the Group had the same policy on capital management and maintained the debt-to-capital ratio between 40% to 60% to ensure reasonable cost of capital. The debt-to-capital ratios on December 31, 2021 and 2020 are as follows:

	2021.12.31	2020.12.31
Total liabilities	$ 33,852,810	40,011,484
Less: cash and cash equivalents	(16,080,562)	(11,510,749)
Net liability	17,772,248	28,500,735
Total equity	19,995,633	17,365,557
Capital after adjustment	**$ 37,767,881**	**45,866,292**
Debt-to-capital ratio	**47.06%**	**62.14%**

(27) Investment and financing activities for non-cash transaction

The non-cash transaction investments and financing activities of the Group in 2021 and 2020 are as follows:

For details of right-of-use assets obtained by lease, please refer to Note 6(8).

7. Related-Party Transactions

(1) Name of related parties and relations

The affiliates which have trading with the Group within the period of the consolidated financial statements are as follows:

Name of related party	Relationship with the Group
Kindom Yu San Education Foundation	The entity's chairman is the second-degree relative of the Company's chairman.

(2) Transactions with related parties

1. For the years ended December 31, 2021 and 2020, donations made to the related party in the amounts of NT$15,000 thousand and NT$15,000 thousand are for the purpose of promoting the Foundation's services.
2. Part of the Group's office building was leased to the related parties in a lease term of five years with a rent in the amount of NT$57 thousand for both years ended December 31, 2021, and 2020.

(3) Key management personnel transactions

Remuneration to major management personnel includes:

	2021	2020
Short-term employee benefits	$ 164,592	162,919
Benefits after retirement	325	280
	$ 164,917	163,199

8. Pledged Assets

The details of the carrying value of pledged assets by the Group are as follows:

Name of assets	Pledge guarantee object	2021.12.31	2020.12.31
Buildings and land held for sale	Bank loans	$ 7,011,933	9,225,920
Land held for construction	〃	1,709,071	211,953
Construction in progress	〃	8,196,964	9,491,628
Investment properties and net value of property, plant, and equipment	Bank loans and corporate bonds payable	6,386,755	6,423,080
Other financial assets-current	Bank loans, pre-sales payments in trust accounts, guarantees, and corporate bonds payable	1,268,914	1,687,965
Other financial assets - non-current	Guarantees and pre-sales payments in trust accounts	50,595	110,594
		$ 24,624,232	27,151,140

Note: the Group provided a total of 223,414 thousand shares and 293,414 thousand shares to subsidiaries to be used as collateral for bank loans and advance receipts of buildings and land as of December 31, 2020 and 2021, respectively.

9. Significant, Contingent and Unrecognized Contract Liabilities

(1) Significant unrecognized contract commitments:

1. The total amount of significant construction contracts is as follows:

	2021.12.31	2020.12.31
Amount of construction contracts	$ 40,826,050	33,736,689
Amount of payments received	$ 5,372,426	14,977,670

2. The total amount of sales contracts signed before and after the completion of construction is as follows:

	2021.12.31	2020.12.31
Amount of sales contracts signed	$ 4,427,490	11,127,512
Amount of payments received per contracts	$ 1,045,946	4,257,365

3. Refer to Note 6(14) for details on lease agreements for the Group's business in shopping mall management as of December 31, 2021 and 2020. Details of the refundable deposits and notes in relation to obligations under these agreements were as follows:

	2021.12.31	2020.12.31
Refundable notes	$ 232,550	232,550

4. Details on refundable deposits and notes paid for co-developments with land owners and third party developers as follows:

	2021.12.31	2020.12.31
Refundable deposits	$ 531,160	540,740
Refundable notes	$ 1,438,635	1,138,095

5. In September 2015, the Group entered into a lease agreement with Chang Xin Co., Ltd. for the building and parking lot on Jiankang Road in Zhonghe District of New Taipei City. The lease payments consist of both a monthly flat amount and a percentage of retail sales revenue.

6. It is passed by the board meeting in december 2021, january 2021 and december 2020, that the group promised to donate nt$20,000 thousand and nt$15,000 thousand in 2022 and 2021, respectively, to kindom yu san education foundation for the promotion of foundation affairs.

7. The group entered into a lease agreement of shopping malls under development by Tianjin Chongbei Property Management Co., Ltd. and Tianjin River Property Management Co., Ltd. (the "Lessors"). The lease commenced in December 2016 and would end in twenty years.

   The case was settled and the lease was rescinded per the second arbitration court on June 28, 2019. In July 2019, the settlement processes were completed, and the Lessor returned the refundable deposit per the settlement agreement in 2020, which was recognized in profit or loss.

8. the Group applied for and received a subsidy in the amount of NT$10,500 thousand funded under Taiwan Industry Innovation Platform Programs by Industrial Development Bureau, M.O.E.A. The subsidy was granted in exchange for the Group's banknote, in the same amount, pledged as collateral for obligations under the program. The note was refundable and would be returned within six months after the program ends. As of the end of December 31, 2021, all subsidy was refunded.

9. In November 2021, the Group entered into a lease agreement with Taiwan Power Company Limited (hereinafter referred to as TPC) for the urban renewal project of the "Land at the Norther Warehousing Center of TPC Nangang Former Site (AR-1-2) Specific Commercial Area (10) ", under which the Group is required to lease back all commercial facilities (including parking spaces) to TPC for a term of 10 years and the lease renewal is limited to 10 years. The lease of the relevant commercial facilities was signed one year prior to the acquisition of the license to use the premises.

(2) Contingent liabilities:

In relation to the construction project under Project Code 061M,the Group was asked for the joint damages amounted to NT$ 20,131 thousand; however, due to the lack of evidence, the case is currently undergoing mediation procedures.

10. Significant Disaster Loss: None.

11. Significant Events after the End of the Financial Reporting Period: None.

12. Others

The employee benefits, depreciation, depletion, and amortization expenses are summarized by function as follows:

Function / Nature	2021			2020		
	Operating costs	**Operating Expenses**	**Total**	**Operating costs**	**Operating Expenses**	**Total**
Employee benefit expenses						
Salaries and wages	468,964	632,172	1,101,136	492,997	651,388	1,144,385
Labor insurance and national health insurance	36,251	40,476	76,727	35,926	35,393	71,319
Pension expenses	16,388	20,684	37,072	16,428	19,141	35,569
Other employee benefits expenses	1,565	33,430	34,995	1,027	37,565	38,592
Depreciation	9,655	414,615	424,270	7,930	388,761	396,691
Amortization	-	9,779	9,779	-	10,223	10,223

13. Disclosure Notes

(1) Information on significant transactions

In 2021, under Regulations Governing the Preparation of Financial Reports by Securities Issuers, information related to material transactions should be disclosed by the Group is as the following:

1. Loaning of fund to other parties: none
2. Endorsement/guarantees for others:

Expressed in thousands of New Taiwan Dollars

No.	Name of endorsement/ guarantee provider	Subject of endorsements/guarantees		Limit on endorsements/ guarantees provided for a single party	Maximum balance for this period	Closing balance of endorsement /guarantees	Actual amount used	Amount of endorsement/ guarantees collateralized with assets	Ratio of accumulated endorsement/ guarantees to net equity per latest financial statements	Maximum endorsement/guarantee amount	Endorsement/ guarantees provided by parent company to subsidiaries	Endorsement /guarantees provided by subsidiaries to parent company	Endorsement/ guarantee provided to subsidiary in China
		Company name	Relationship (Note 1)										
1	Kedge Construction	Kindom Development	Parent company and subsidiary	$ 7,021,866	14,192	14,192	14,192	-	0.40%	7,021,866	N	Y	N
2	Dingtian Construction	Kindom Development	Parent company and subsidiary	48,073	14,192	14,192	14,192	-	29.52%	48,073	N	Y	N
2	〃	Kedge Construction	Parent company and subsidiary	7,210,955	1,376,500	1,376,500	1,376,500	-	2,863.35%	14,421,910	N	Y	N
3	Global Mall	Guan You	3	2,968,897	200,000	180,000	-	-	3.64%	5,937,794	Y	N	N
3	〃	Guan Hua	2	2,968,897	155,000	110,000	20,000	-	2.22%	5,937,794	Y	N	N
3	〃	Guan Cheng	1	2,968,897	61,550	61,550	61,550	-	1.24%	5,937,794	Y	N	N

Note 1. Types of relationship that the endorsement/guarantee provider has with the guaranteed party:

(1) An entity with which it does business.

(2) A company in which the company directly or indirectly holds more than 50% of the voting shares.

(3) A company that directly or indirectly holds more than 50% of the voting shares in the company.

(4) Between the companies in which the company directly or indirectly holds more than 90% of the voting shares.

(5) A company fulfills its contractual obligations by providing mutual endorsement/guarantee for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

(7) Companies in the same industry provide among themselves joint and security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2. Taipei City Government requested the Company to provide joint and several security, so Kedge Construction, approved by the Board on March 21, 2002 and March 25, 2010, provided endorsements/guarantees for the Company.

Note 3. Per Kedge Construction's policies and procedures on endorsements/guarantees, the maximum aggregate amount allowable for endorsements/guarantees to third parties shall not exceed 200% of its net equity as stated in its latest financial statement, and limits on endorsements/guarantees provided to a single entity shall not exceed 200% of its net equity as stated in its latest financial statement. The aggregate amount of endorsements/guarantees on all construction projects shall not exceed 10 times of its net equity as stated in its latest financial statement, and the aggregate amount of endorsements/guarantees on a single construction project shall not exceed 5 times of its net equity as stated in its latest financial statement.

Note 4. Per Dingtian's policies and procedures on endorsements/guarantees, the maximum aggregate amount allowable for endorsements/guarantees to third parties shall not exceed 100% of its net equity as stated in its latest financial statement, and limits on endorsements/guarantees provided to a single entity shall not exceed 100% of its net equity as stated in its latest financial statement. The aggregate amount of endorsements/guarantees on all construction projects shall not exceed 300 times of its net equity as stated in its latest financial statement, and the aggregate amount of endorsements/guarantees on a single construction project shall not exceed 150 times of its net equity as stated in its latest financial statements.

Note 5. Per Global Mall's policies and procedures on endorsements/guarantees, the maximum aggregate amount allowable for endorsements/guarantees to third parties shall not exceed 120% of its net equity as stated in its latest financial statement, and limits on endorsements/guarantees provided to a single entity shall not exceed 60% of its net equity as stated in its latest financial statements.

Note 6. The above transactions had been written off in preparing the consolidated financial report.

3. Marketable securities (excluding equity investments in subsidiaries, associates, and joint ventures) held at the reporting date:

Expressed in thousands of New Taiwan Dollars/thousand shares

Holding company	Type and name of securities	Relationship with the securities issuer	Account title in book	End of period				Highest Percentage of Ownership or Capital Invested during the period	Note
				Number of shares	Book value	Percentage of shareholding	Fair value (Note)		
Kindom Development	Stock - Fubon Financial Holding Co Ltd.	-	Financial assets at fair value through profit or loss - current	575	43,878	- %	43,878	- %	
〃	Stock - Everterminal Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	99	2,914	0.20 %	2,914	0.20%	
〃	Stock - Clientron Corp.	-	〃	29	973	0.05 %	973	0.05%	
〃	Stock - Fubon Financial Holding Co., Ltd. Preferred Shares C	-	〃	12	704	- %	704	- %	
Jiequn Investment	Stock - Fubon Financial Holding Co Ltd.		Financial assets at fair value through profit or loss - current	537	40,945	- %	40,945	- %	
〃	Stock - SinoPac Financial Holdings Co., Ltd.	-	〃	211	3,410	- %	3,410	- %	
〃	Stock - Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets measured at FVTOCI - non-current	11	657	- %	657	- %	
〃	Stock - Huei Ding Computer	-	〃	405	-	0.78 %	-	0.78%	
Guanqing Electromechanical Co., Ltd.	Stock - Fubon Financial Holding Co Ltd.	-	Financial assets at fair value through profit or loss - current	477	36,367	- %	36,367	- %	
〃	Stock - Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets measured at FVTOCI - non-current	10	583	- %	583	- %	
〃	Stock - Commonwealth Publishing Group	-	〃	145	6,633	0.59 %	6,633	0.59%	

Note: If market price is not available, the carrying amount of the security at the reporting date is determined as the market price.

4. Accumulated to buy or sell the same marketable securities amount to NT$300 million or more than 20% of the paid-up capital: None.

5. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.

6. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital:

Expressed in thousands of New Taiwan Dollars

Disposing company	Asset title	Date of event	Date of acquisition	Carrying amount	Transaction amount (Note 2)	Receivable Collection	Gain or loss on disposal	Transaction counterparty	Relationship	Purpose of disposal	Reference for price determination	Other stipulations of the transaction
Kindom Development	Inventories - buildings and land held for sale	2021.01 to 2021.12	Not applicable: inventory produced, not acquired	N/A	1,798,113	1,797,512	N/A	More than one third party	Non-related party	Selling inventories	Reference based on market price	None

Note 1. The amounts above are expressed before taxes.

Note 2. The transaction amount includes a discount of NT$601 thousand.

7. Related-party transactions for purchases and sales with amounts exceeding NT$100 million or 20% of the paid-in capital:

Expressed in thousands of New Taiwan Dollars

Company name	Transaction counterparty Name	Relationship	Transaction details				Transactions with Terms Different from Others		Notes/accounts receivable (or payable)		Remark
			Purchases/sales	Amount (Note 1)	Percentage of total purchases (sales)	Loan period	Unit price	Loan period	Balance	Percentage of total notes/accounts receivable (or payable)	
Kindom Development	Kedge Construction	Investees valued under equity method	Purchases for 101A and other projects	2,444,757	63.69 %	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	Equivalent to other transactions	Slightly longer than normal	(836,755)	59.05%	Note 2
Kedge Construction	Kindom Development	An investment company that evaluates Kedge Construction by the equity method	071P etc.	(2,444,757)	(27.64) %	Received payment by installment per contract or equivalent to a general transaction	〃	〃	836,755	29.46%	〃
Kedge Construction	Dingtian Construction	Investor in which Kedge Construction is accounted for using equity method	043A etc.	104,569	1.10 %	〃	〃	Equivalent to other transactions	(18,383)	0.42%	〃
Kedge Construction	Guanqing Electromechanical Co., Ltd.	〃	023A etc.	170,686	1.79 %	〃	〃	〃	(50,757)	(1.16)%	〃
Dingtian Construction	Kedge Construction	〃	043A etc.	(104,569)	(100.00)%	〃	〃	〃	18,383	100.00%	〃
Guanqing Electromechanical Co., Ltd.	〃	〃	023A etc.	(170,686)	(94.81) %	〃	〃	〃	50,757	67.46%	〃

Note 1. Refers to the valuation amount for current period

Note 2. The above-mentioned transactions have been written off at the preparation of the consolidated financial statements.

8. Receivables from related parties with amounts exceeding NT$100 million or 20% of the paid-in capital:

Expressed in thousands of New Taiwan Dollars

Company that records such transactions as receivables	Transaction counterparty	Relationship	Balance of receivables from related parties	Turnover Rate	Overdue receivables from related parties		Amounts received in subsequent periods	Allowance for losses appropriated
					Amount	Action taken		
Kedge Construction	Kindom Development	An investment company that evaluates Kedge Construction by the equity method	836,755	2.06	-	-	95,354	-

Note: The above-mentioned transactions have been written off at the preparation of the consolidated financial statements.

9. Engaging in the trading in derivative instruments: none

10. Business relationship and significant transactions between the parent company and subsidiaries:

No.	Company name	Transaction counterparty	Relationship	Transactions			
				Account	Amount	Terms and conditions	As a percentage of consolidated revenue or total assets
0	The company	Kedge Construction	1	Cost of construction	2,828,862	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	11.23%
0	The company	Kedge Construction	1	Buildings and land held for sale	196,348	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	0.36%
0	The company	Kedge Construction	1	Construction in progress	106,848	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	0.20%
0	The company	Kedge Construction	1	Notes and accounts payable-related parties	836,755	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	1.55%
1	Kedge Construction	The company	2	Operating revenue	2,828,862	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	11.23%
1	Kedge Construction	The company	2	Operating costs	303,196	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	1.20%
1	Kedge Construction	The company	2	Notes and accounts receivable-related parties, contract assets	836,755	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	1.55%
2	Global Mall	Guan Cheng	3	Accounts receivable-related parties	42,500	Once a Year	0.08%
2	Global Mall	Guan Cheng	3	Operating revenue	35,882	Once a year	0.14%
2	Global Mall	Guan You	3	Operating revenue	2,588	Once a year	0.01%
3	Guan Cheng	Global Mall	3	Accounts payable-related parties	42,500	Once a Year	0.08%
3	Guan Cheng	Global Mall	3	Operating expenses	35,882	Once a year	0.14%
4	Guan You	Global Mall	3	Operating expenses	2,588	Once a year	0.01%

Note 1. Instruction for numbering.

1. The parent company is numbered 0.
2. Subsidiaries are numbered from number 1.

Note 2. The type of relations with transaction party is marked as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3. The above-mentioned transactions have been written off at the preparation of the consolidated financial statements.

(2) Information on Reinvestment:

The information on the Group's investees in 2021 is as follows:

Unit: Thousands of New Taiwan Dollars or Thousands of Shares

Name of investor	Name of investee	Location	Principal business	Original investment amount		Ending shareholding			Highest Percentage of Ownership or Capital Invested during the period	Net income (loss) of the investee	Share of profit/loss of investee	Remark
				End of the period	End of last year	Number of shares	Percentage	Book value				
Kindom Development	Kedge Construction	Taiwan	The comprehensive construction industry, etc.	374,353	374,353	36,248	34.18%	904,540	34.18%	740,476	286,002	Subsidiary
〃	Global Mall	Taiwan	Supermarkets, department stores, international trading, wholesales of medical equipment, and retails	3,209,395	3,209,395	320,105	84.02%	4,182,308	84.02%	116,210	97,636	〃
〃	Guan Cheng	Taiwan	Department stores, supermarkets, and non-store retailing	102,000	102,000	10,200	51.00%	157,285	51.00%	65,871	33,594	〃
Kedge Construction	Jiequn Investment	Taiwan	Investment	163,935	163,935	16,396	99.98%	500,444	99.98%	38,059	38,050	Sub-subsidiary
〃	Guanqing Electromechanical Co., Ltd.	Taiwan	Installation and engineering of electrical and fire safety equipment	81,326	81,326	7,747	99.96%	244,315	99.96%	20,864	20,856	〃
Jiequn Investment Co., Ltd.	Dingtian Construction	Taiwan	The comprehensive construction industry, etc.	16,500	16,500	-	30.00%	14,422	30.00%	(6,114)	(1,834)	Third-tier subsidiary
Guanqing Electromechanical	Dingtian Construction	Taiwan	The comprehensive construction industry, etc.	11,105	11,105	-	70.00%	33,651	70.00%	(6,114)	(4,280)	〃
Dingtian Construction	ReadyCom Information Technology Service	Taiwan	Information software services and management consultants, etc.	15,000	15,000	1,400	46.67%	15,120	46.67%	(11,543)	(5,387)	Investments accounted for using equity method
Global Mall	Guan Cheng	Taiwan	Department stores, supermarkets, and non-store retailing	98,000	98,000	9,800	49.00%	151,117	49.00%	65,871	32,277	Subsidiary

Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO., LTD. and Subsidiaries (continued)

Name of investor	Name of investee	Location	Principal business	Original investment amount		Ending shareholding			Highest Percentage of Ownership or Capital Invested during the period	Net income (loss) of the investee	Share of profit/loss of investee	Remark
				End of the period	End of last year	Number of shares	Percentage	Book value				
〃	Guan You	Taiwan	Department stores, supermarkets, and non-store retailing	5,000	5,000	500	3.70%	95	3.70%	(23,173)	(857)	Sub-subsidiary
Global Mall	Guan Hua	Taiwan	Department stores, supermarkets, and non-store retailing	140,000	140,000	14,000	100.00%	142,225	100.00%	1,419	1,419	Sub-subsidiary
〃	KGM	Hong Kong	Investment and operation of shopping mall in mainland China, including master planning, supporting engineering consulting, and leasing planning and consulting	9,339 (HKD390 thousand)	213,766 (HKD54,435 thousand)	-(Co., Ltd.)	100.00%	1,777	100.00%	234	234	〃
Guan Cheng	Guan You	Taiwan	Department stores, supermarkets, and non-store retailing	130,000	130,000	13,000	96.30%	2,468	96.30%	(23,173)	(22,316)	〃

(3) Information on Investments in Mainland China:

1. Relevant information, including names and principal business, on investees in China

Unit: Thousands of USD, HKD, RMB or NTD

Name of investee in China	Principal business	Paid-in capital	Method of investment	Accumulated amount of investment remitted from Taiwan at beginning of period	Amount of investment remitted or recovered in the current period		Accumulated amount of investment remitted from Taiwan at end of period	Net income (loss) of the investee	The company's percentage of ownership directly or indirectly	Highest Percentage of Ownership or Capital Invested during the period	Investment gains (losses) recognized in the current period	Book value of investment at end of period	Investment income received at end of period
					Outward remittance	Recovery							
Global Mall (Tianjin) Co., Ltd.	Business management (including rentals of commercial facilities) in wholesales, retails, and import/export of household items and appliances, sports goods, office supplies, watches, glasses, textiles, etc.; property management; business consulting; corporate marketing planning; conference services; exhibition services; parking lot operation and management.	-(Note 2) (CNY-)	Note 1	1,120,404 (CNY237,787)	- (CNY-)	44,054 (CNY10,138)	1,076,350 (CNY227,649)	(486) (HKD(135))	-%	100.00%	(486) (HKD(135))	- (HKD-)	-

Note 1. Reinvest in mainland China through existing companies in a third location

Note 2. The cancellation of registration was completed on April 19, 2021, and the remaining balance of NT$44,054 thousand (HKD12,400 thousand) was remitted to Global Mall in December of the same year through KGM.

2. Limitation on investment in mainland China:

Accumulated investment remitted from Taiwan to Mainland China at end of period	Amount of investment approved by the Investment Commission, M.O.E.A.	Limit on amount of investment stipulated by the Investment Commission, M.O.E.A.
CNY227,649	USD 40,327	10,537,657

Note: The limited amount is capped at 60% of the parent company's net equity.

3. Significant transactions with investees in mainland China: none

(4) Information on major shareholders:

Expressed in shares

Shareholding Name of major shareholder	Number of shares held	Shareholding ratio
Yute Investment Co., Ltd.	105,935,137	19.12%
Mei-Chu Liu	67,215,292	12.13%

14. Segment Information

(1) General information

the Group's reportable segments comprise of development business unit, construction business unit, and shopping mall business unit. The market nature and marketing strategies of each business unit are not identical and hence are explained as follows:

Development segment: Commissions construction companies to develop residential and commercial real estate for rental or sales.

Construction segment: Comprehensively organizes all works involved in constructions, including building and management, as a general contractor.

Shopping mall segment: Manages operations of shopping malls, supermarkets, and businesses in international trading.

(2) Information involving profit or loss, asset, liability and measurement basis and adjustment of reportable segments

The management's resource allocation and performance evaluation are based on the unit's profit before tax (excluding extraordinary profit or loss and exchange gain or loss) in the internal governance report reviewed by the chief operating decision-maker of the Group. As tax expenses (income), extraordinary profit or loss and exchange gain or loss are recognized on the Group level, the Group does not allocate tax expenses (income), extraordinary profit or loss and exchange gain or loss to the reportable segments. Thus, not every reportable segment includes material non-monetary items besides depreciation and amortization in the profit or loss. The reported amounts are in line with the amounts in the reports for operating decision makers.

Except that the pension expenses of each unit are paid in cash to pension plans, the accounting policies of the operating department are the same as the "Summary of Significant Accounting Policies" described in Note 4.

the Group deems the inter-unit sales and transfer as third-party transactions. And such transactions are measured at the current market price.

The information and adjustments to operating units of the Group are as follows:

	2021				
	Development business unit	**Construction**	**Shopping mall**	**Adjustments and elimination**	**Total**
Revenue:					
Revenues from external customers	$ 16,098,786	7,939,091	1,153,261	-	25,191,138
Inter-segment income	6,768	2,833,231	40,791	(2,880,790)	-
Interest income	12,117	10,035	3,284	-	25,436
Total revenue	$ 16,117,671	10,782,357	1,197,336	(2,880,790)	25,216,574
Interest expense	$ 214,898	1,457	98,762	-	315,117
Depreciation and amortization	18,962	19,694	402,644	(7,251)	434,049
Share of profits (losses) of associates accounted for using equity method	417,232	(5,387)	9,104	(426,336)	(5,387)
Reportable segment profits (losses)	**$ 4,196,791**	**923,047**	**189,018**	**(330,170)**	**4,978,686**
Asset:					
Investment accounted for using equity method	$ 5,244,133	15,120	153,679	(5,397,812)	15,120
Capital expenditure on non-current asset	14,393	3,875	159,214	-	177,482
Reportable segment assets	**$ 39,053,427**	**9,277,743**	**12,773,455**	**(7,256,182)**	**53,848,443**
Reportable segment liabilities	**$ 21,490,666**	**5,766,604**	**7,514,330**	**(918,790)**	**33,852,810**

	2020				
	Development business unit	**Construction**	**Shopping mall**	**Adjustments and elimination**	**Total**
Revenue:					
Revenues from external customers	$ 17,181,862	8,822,340	1,341,203	-	27,345,405
Inter-segment income	3,149	5,308,289	50,504	(5,361,942)	-
Interest income	9,081	8,280	3,675	-	21,036
Total revenue	$ 17,194,092	14,138,909	1,395,382	(5,361,942)	27,366,441
Interest expense	$ 258,244	3,009	105,543	-	366,796
Depreciation and amortization	14,059	12,080	388,025	(7,250)	406,914
Share of profits (losses) of associates accounted for using equity method	589,742	1	19,523	(609,265)	1
Reportable segment profits (losses)	$ 4,137,235	782,192	452,254	(482,882)	4,888,799
Asset:					
Investment accounted for using equity method	$ 5,033,683	20,507	179,561	(5,213,244)	20,507
Capital expenditure on non-current asset	6,490	80,717	52,645	-	139,852
Reportable segment assets	$ 43,545,424	9,433,656	12,868,851	(8,470,890)	57,377,041
Reportable segment liabilities	$ 28,307,523	6,364,378	7,619,687	(2,280,104)	40,011,484

Significant reconciliation items of reportable segments are as follows:

In the years of 2021 and 2030, the total amount of reportable segment revenue shall deduct the inter-segment revenue of NT$2,880,790 thousand and NT$5,361,942 thousand, respectively.

(3) Product and service information

Refer to Note 6(21) for details on the Group's product and service information.

(4) Geographic information

There is no export transaction in the Group, and therefore information by geographical distribution will not be disclosed.

(5) Major customers

The Group is engaged in the development of real estate, comprehensive construction, and operation of shopping malls. Its clientele is mainly the vast majority of consumers and public works, no significant key accounts.