Stock Code: 2520

Annual Report
2021

Kindom Development Co., Ltd.

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I. Spokesperson or Acting Spokesperson of the company:
Spokesperson: Sheng-An Chang
Title: Vice General Manager
E-mail: vchang@kindom.com.tw
Acting Spokesperson: Shu-Lian Chang
Title: Senior Assistant Manager
E-mail: schang@kindom.com.tw
Tel: (02) 2378-6789
Fax: (02) 2739-6710

II. Head Office, Branch Offices and Factories: No branch or factory
Address: No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)
Tel: (02) 2378-6789
Fax: (02) 2739-6710

III. Share Transfer Agency
Name: CTBC Bank Transfer Agency
Address: 5F., No.83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)
Tel: (02) 6636-5566
Website: http://www.ctbcbank.com

IV. Certified Public Accountants for the Most Recent Fiscal Year:
Name of Accounting Firm: KPMG Taiwan
Name of CPAs: I-Lien Han, Ti-Nuan Chien
Address: 68F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)
Tel: (02) 8101-6666
Website: http://www.kpmg.com.tw

V. Information on Overseas Securities: None

VI. Company Website: http://www.kindom.com.tw

Chapter 1 Letter to Shareholders

Dear Shareholders:

In 2021, the construction business, which accounted for nearly 64% of the Company's revenue, declined slightly by 6.3% due to the outbreak of the epidemic and the housing market regulation in the second half of the year. The building business, which accounted for more than 30% of the revenue, decreased by 10% due to the completion of projects by external customers and the early stage of construction. The department store business, which accounted for nearly 0.50% of the revenue, decreased by 14% due to the impact of the COVID-19 epidemic, resulting in a 7.9% decrease in consolidated operating revenue from NT$27.345 billion in 2020 to NT$25.191 billion. Net profit after tax attributable to the owners of the parent company in 2021 was NT$3.508 billion. This was an increase of 4.6% from the NT$3.354 billion net profit in 2020; the after-tax earnings per share increased from NT$6.18 in 2020 to NT$6.47 in 2021.

Currently, some of the main construction projects in the development segment that have been completed, under construction or in the pre-sale process include the following: "Kindom Xinyi B", "Kindom Xinyi C", "Kindom Xinyi F", "Kindom Wei Shan Jiu", "Kindom Chuangzindian", "Kindom Shizhengting", "Kindom Roosevelt", "Kindom Tian Qing", "Kindom Tai Ji," "Kindom Wen Xin Landmark", "Kindom Tian Ying", "Kindom Tian Yun", and so on. These projects, amounting to more than 10, have a combined number of about 650 total saleable households. The building operation segment has been successful in securing contracts with more than 10 external customer projects. These mainly include construction for the government's transportation infrastructure, medical buildings of public hospitals and projects from electronics companies that are listed on the stock exchange, amounting to a total contract value of more than NT$21.7 billion. The department store segment manages the following two types of shopping centers. One of types is the independent full service shopping mall like: "Xinbei Zhonghe" and "Pingtung." The other one is the station associated shopping mall like: "Nangang Station", "Banqiao Station", "Taoyuan A8", "Linkou A9", "New Zuoying Station" and "Taoyuan A19". These eight shopping malls have a total business area of about 50,000 square feet. With 720,000 members and benefit of the mass transportation, the number of visitors coming to the mall is very stable.

In 2021, the whole market was fickle due to the COVID-19 epidemic, slowing down the strength of the global economic recovery. However, with the wave of global funds, the return of oversea companies to set up factories in Taiwan and low level of mortgage interest rates, the market capital was sufficient, boosting the demand for self-occupancy, home exchange and long-term property purchase. Over 348,194 housing buildings were transferred across Taiwan, an increase of 6.6% over the 326,589 buildings in 2020, which hit a record high of nearly eight years. The increased demand in the construction industry has encouraged Taiwanese businessmen to return home to expand factories and the government has also launched policies to promote forward-looking infrastructure developments. These factors have continuously driven up the demand for construction and civil engineering projects in Taiwan. The turnover in 2021 increased to NT$3.07 trillion and the annual growth rate has increased by 14.6%, creating a new record in terms of growth. In the first half of 2021, the department store segment was affected by the COVID-19 epidemic, resulting in a sharp decline in performance. With the easing of the epidemic in Taiwan, the government's various revitalization programs and strict border control measures have boosted consumption in Taiwan. Since the second half of the. the turnover in Taiwan has shown positive growth. In 2022, with the strengthening of global vaccination and epidemic prevention measures, the epidemic is increasingly under control, and nationals are focusing on domestic consumption, the overall domestic demand market is gradually stabilizing. However, the shortage of labor and soaring costs in the industry have not yet improved, and the government has proposed the " Healthy Real Estate Market Plan" and "House and Land Transactions Income Tax 2.0" for the overheated housing market, and the Central Bank has proposed "New Measures for the Housing Market", which leads to a conservative atmosphere in terms of consumer willingness and confidence, the construction and building industry may maintain a stable growth pattern in the first half of the year, and the department store industry will grow slowly as the vaccination rate increases and the epidemic is effectively controlled. The department store industry will tend to grow slowly as the vaccination rate increases and the epidemic is effectively controlled.

Over the years, the Kindom adheres to the business philosophy of “Integrity, Service, Innovation and Sustainability” to integrate real estate development, construction, shopping centers and foundation to develop a comprehensive real estate development business, and continues to make steady progress with four critical operating principle: “strengthening of corporate governance”, “implementing internal control system”, “efficient resource allocation within the group,” and “participation in social welfare,” with the ambition to provide exemplary products and services, fulfill social responsibility, and response to the expectations of the environment and society. The Construction Department continues to work on developing quality sites and product planning. In response to the market trends, customer needs and regional development, various products will be positioned. Taking advantage of big data, precision marketing strategies will be implemented. Accelerated demolition will also be carried out, in accordance with changing requirements of the markets, to enhance the overall competitiveness of the Company. The construction segment aspires to secure high-tech and high-value added engineering bids, with a comprehensive supply chain management system in place, and strives to accurately manage the implementation schedule. This, along with regular review of the trends in supply and demand of bulk building materials, is performed to meet the schedule and cost estimates. We aim to provide high quality products and services, while keeping our suppliers and the customers satisfied. With thoughtful and innovative services, the department store segment follows the trend and customer needs, strengthens diversified product mix and creates differentiation in the department store. It also strives to develop creative digital applications to provide convenient membership services such as online order placement and physical store pickup to enhance brand loyalty and stickiness among the customers.

Kindom Group pursues revenue growth, while striving for balanced development of environment, enhancing society and corporate governance (ESG) including the establishment of information security risk management measures and the promotion of corporate integrity management specific measures. In addition, Kindom Group seeks to build a sustainable strategic blueprint with three aspects: "Green Home", "Smart City" and "Happy Society". Combining the 17 SDGS indicators of the United Nations, the Group makes use of innovative and digital technologies and methods to reduce the impact of buildings on the environment, actively plans green homes and environmental co-prosperity, maintains social responsibility for local and disadvantaged people and fulfills our social citizenship responsibilities. We strive for the goal of "leading brand of all-round real estate developer” and continuously strengthen the competitiveness of enterprise sustainable development, create rich profits and reward our shareholders, employees and society.

Sincerely

Wish you and your family safe and all the best.

Kindom Development Co., Ltd.

Chairman: Mike Ma

Chapter 2 Company Profile

I. Company Introduction:

(I) Date of Incorporation: November 23, 1979

(II) Company History:

The Company was established in November of 1979 at No. 10, Ln. 165, Sec. 1, Xinsheng S. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.), with the registered capital and paid-in capital both in an amount of NT$ 1 million.

In 1982,	the Company was restructured and increased its capital to NT$ 30 million.
In March of 1984,	the Company increased its capital to NT$ 50 million.
In August of 1988,	the Company relocated to 1/12F, No.237, Sec. 1, Fuxing S. Rd., Taipei City (R.O.C.).
In June of 1989,	the Company increased its capital to NT$ 170 million.
In December of 1990,	the Company increased its capital to NT$ 390 million.
In October of 1991,	the Company increased its capital to NT$ 420 million.
In July of 1992,	the Company increased its capital to NT$ 525 million.
In April of 1993,	the Company relocated to No.131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.).
In July of 1993,	the Company increased its capital to NT$ 656.25 million.
In October of 1993,	the Company had its shares officially listed for trading.
In April of 1994,	the Company increased its capital to NT$ 1 billion.
In July of 1994,	the Company increased its capital to NT$ 1.25 billion.
In September of 1995,	the Company increased its capital to NT$ 1,562,500,000.
In August of 1996,	the Company increased its capital to NT$ 1,953,125,000.
In August of 1997,	the Company increased its capital to NT$ 2,441,406,000.
In October of 1997,	the Company increased its capital to NT$ 2,741,406,000.
In July of 1998,	the Company increased its capital to NT$ 3,426,758,000.
In June of 1999,	the Company increased its capital to NT$ 4,283,447,000.
In June of 2000,	the Company increased its capital to NT$ 5,140,137,000.
In April of 2001,	the Company reduced its capital to NT$ 5,043,767,000.
In October of 2001,	the Company reduced its capital to NT$ 4,894,037,000.
In January of 2011,	the Company increased its capital to NT$ 4,922,736,000.
In April of 2011,	the Company increased its capital to NT$ 4,926,189,000.
In October of 2011,	the Company increased its capital to NT$ 4,933,453,000.
In July of 2012,	the Company increased its capital to NT$ 4,965,081,000.
In October of 2012,	the Company increased its capital to NT$ 4,987,221,000.
In April of 2013,	the Company increased its capital to NT$ 5,015,102,000.
In July of 2013,	the Company increased its capital to NT$ 5,037,910,000.
In September of 2021,	the Company increased its capital to NT$ 5,541,700,000.

(III) Events of merger & acquisition, reinvestment in related companies or restructuring in the most recent year as of the date of this Annual Report: None.

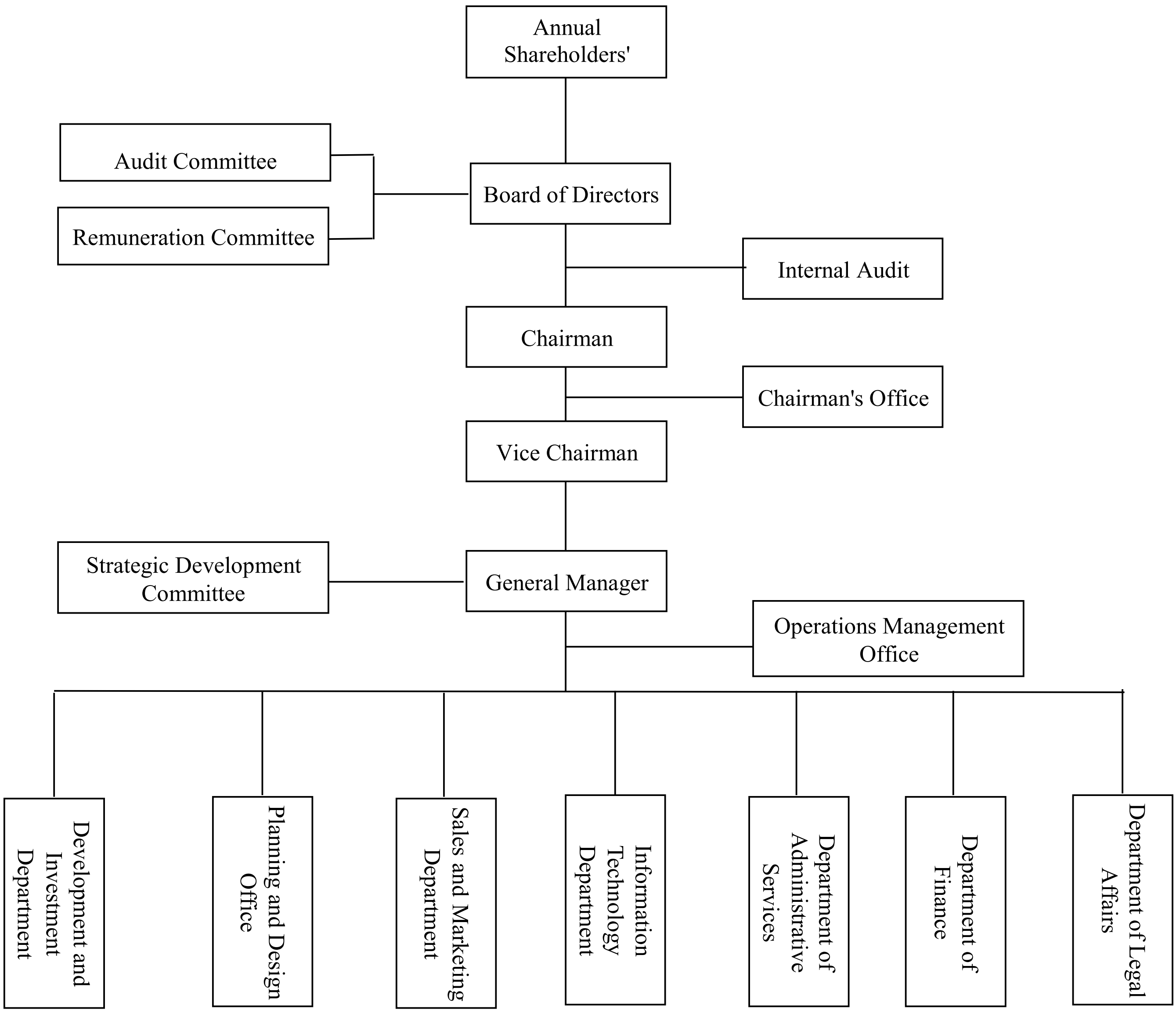
(IV) Events of major equity transfer or exchange involving directors, supervisors or major shareholders holding more than 10% of the Company's shares in the most recent year as of the date of this Annual Report: None.

(V) Changes in the right of management, material changes in the operating procedures or businesses, and other material events of significant impact on the shareholders' equity in the most recent year as of the date of this Annual Report and their implications for the Company: None.

Chapter 3 Corporate Governance Report

I. Organization:

(I) Organization Chart:

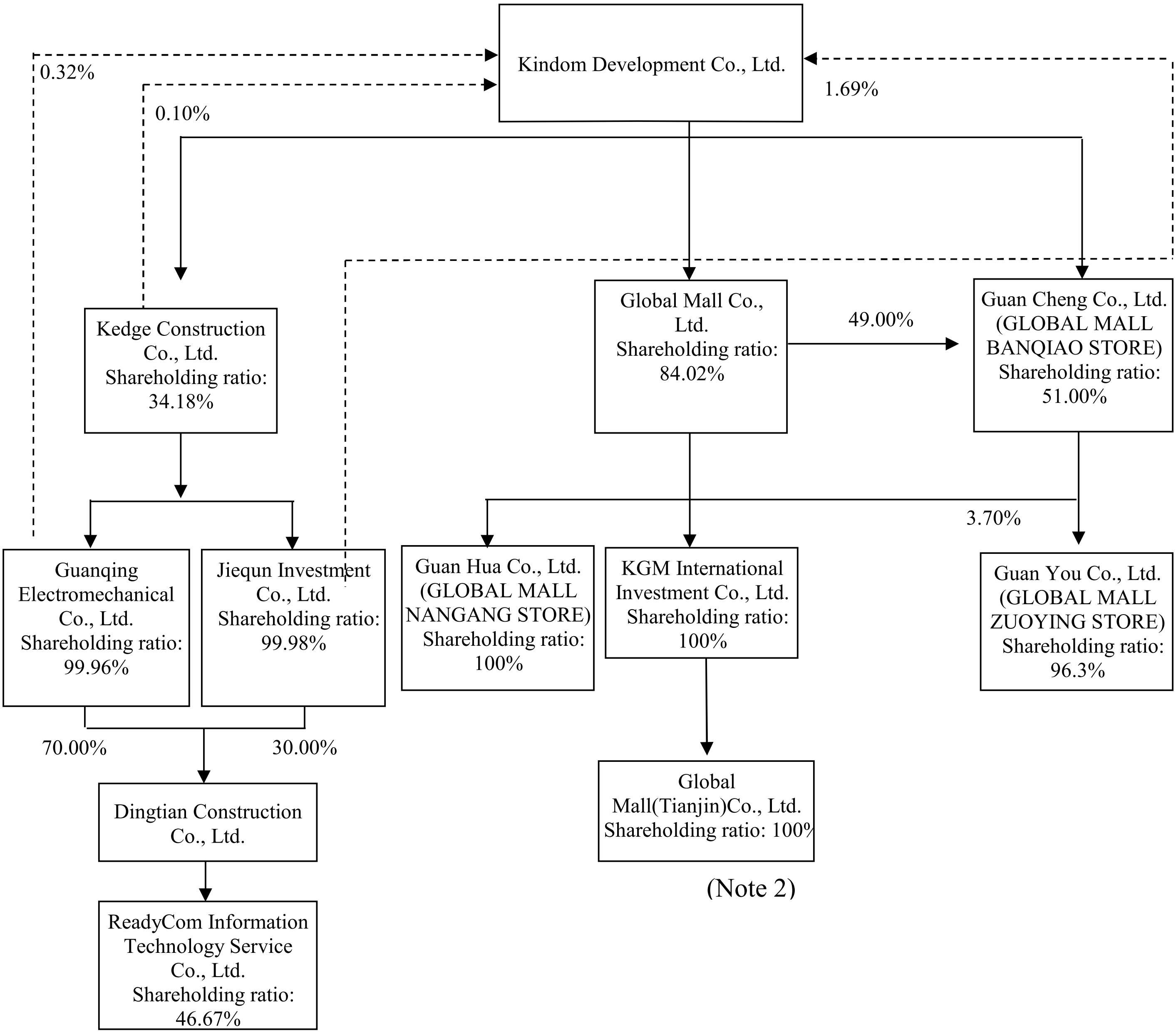


(II) Major Department Functions:

1. Auditing Office: Responsible for establishing and implementing the audit system, evaluating the business performance, inspecting and reviewing the internal control system of the Company and its subsidiaries and, in a timely manner, providing suggestions for improvement thereof.
2. Chairman's Office: Responsible for the research, analysis, planning and execution of the projects assigned by.
3. Operations Management Office: Responsible for management of the Company's operation-related matters, premise transfer and mortgage registration with the land registration department, land and building restoration, records preservation and other filing-related matters.
4. Development and Investment Department: Responsible for land development, evaluation of new business undertakings, management of investment and shift in investment.
5. Planning and Design Department: Responsible for the planning and design in individual construction projects.
6. Sales and Marketing Department: Responsible for sales, AD planning, customer service and other related businesses.

7. Information Technology Department: Responsible for planning and promoting the Company's computerization, scheduling and maintaining the Company's computer hardware resources and supervising the information technology- related matters of the related companies.
8. Department of Administrative Services: Responsible for handling the Company's human resources and general affairs, and supervising the administrative affairs of the Group's related companies.
9. Department of Finance: Responsible for accounting, stock operations, planning and management of funds, as well as supervising the financial affairs of the Group's related companies.
10. Department of Legal Affairs: Responsible for the discussion on and development of various contracts for the Company, the review and management of both internal and external documents, profit risk control, overall enforcement in various litigation cases, compliance with laws and legal risk control, and supervision of the legal affairs of the Group's related companies.

(III) Organization Chart of Related Companies in Investment (Note 1):



Note 1: In accordance with Article 369-2 of the Company Act, it is presumed that a company holding the majority of the total number of the outstanding voting shares or the total amount of the capital stock of another company is considered the controlling company, while the other company is considered a subordinate company.

Note 2: The cancellation of registration of Global Mall (Tianjin) Co., Ltd. was completed on April 19, 2021.

II. Information on the Chairman, General Manager, Vice General Managers, Assistant Managers, and Supervisors of Divisions and Branch Units

(I) Information of Directors:

May 1, 2022 (Unit: shares)

Title (Note 1)	Nationality/ place of registration	Name	Gender/ Age	Date elected (taking office)	Term of office (Year)	Date first elected (Note 2)	Shareholding when elected		Current shareholding		Current spouse & minor shareholding		Shareholding by nominee arrangement		Education and working experience (Note 3)	Other position concurrently held at the Company ot other companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remarks (Note 4)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Republic of China	Representative of Yu-De Investment Co.: Mike Ma	Male/ 46-50	2019.06.10	3 years	2016.06.28	96,304,670 9,350,454	19.12 1.86	105,935,137 9,900,000	19.12 1.79	- -	- -	- 6,040,599	- 1.09	Master of Statistics Department, Columbia University	Chairman of Global Mall Co., Ltd. Director of Yu-De Investment Co. Director of KGM International Investment Co., Ltd. Director of Guanqing Electromechanical Co., Ltd. Director of Jiequn Investment Co., Ltd. Director of Kindom Yu San Education Foundation, a corporate body	Director	Mei-Chu Liu	Mother and son	
Director	Republic of China	Representative of Yu-De Investment Co.: Mei-Chu Liu	Female/ 75-80	2019.06.10	3 years	2017.12.22	96,304,670 44,788,333	19.12 8.89	105,935,137 67,215,292	19.12 12.13	- -	- -	- -	- -	Department of Chinese Language and Literature, Tamkang University	Chairman of Yu-De Investment Co. Director of Kedge Construction Co., Ltd.	Chairman	Mike Ma	Mother and son	
Director	Republic of China	Representative of Yu-De Investment Co.: Ching-Chin Hung	Male/ 56-60	2019.06.10	3 years	2004.06.25	96,304,670 144	19.12 -	105,935,137 158	19.12 -	- 52,093	- 0.01	- -	- -	Department of Civil Engineering, National Taipei University of Technology	General Manager	-	-	-	
Director	Republic of China	Representative of Yu-De Investment Co.: Sheng-An Chang	Male/ 51-55	2019.06.10	3 years	2017.09.30	96,304,670 7,968	19.12 -	105,935,137 8,764	19.12 -	- -	- -	- -	- -	Department of Land Management, Feng Chia University	Vice General Manager Vice President of Kindom Yu San Education Foundation, a corporate body	-	-	-	
Director	Republic of China	Representative of Yu-De Investment Co.: Ching-Fen, Chang	Female/ 56-60	2019.06.10	3 years	2019.06.10	96,304,670 31,000	19.12 0.01	105,935,137 34,100	19.12 0.01	- -	- -	- -	- -	Department of Economics, Soochow University	Director of the Chairman's Office and Manager of the Department of Administrative Services	-	-	-	

Title (Note 1)	Nationality/ place of registration	Name	Gender/ Age	Date elected (taking office)	Term of office (Year)	Date first elected (Note 2)	Shareholding when elected		Current shareholding		Current spouse & minor shareholding		Shareholding by nominee arrangement		Education and working experience (Note 3)	Other position concurrently held at the Company ot other companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remarks (Note 4)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	Republic of China	Representative of Yu-De Investment Co.: Ming Chen	Female/ 61-65	2019.06.10	3 years	2004.06.25	96,304,670 2,494,389	19.12 0.50	105,935,137 2,743,827	19.12 0.50	- -	- -	- -	- -	Department of Business Documents, Ming Chuan Commercial College	None	-	-	-	
Independent Director	Republic of China	Hung-Chin Huang	Male/ 56-60	2019.06.10	3 years	2016.06.28	-	-	-	-	-	-	-	-	Master of Professional Accounting, Shanghai University of Finance and Economics	CPA, Henghui Lianhe Accounting Firm Assistant professor in Department of Accounting, Fu Jen Catholic University Independent Director of Kedge Construction Co., Ltd.	-	-	-	
Independent Director	Republic of China	Shen-Yu Kung	Male/ 61-65	2019.06.10	3 years	2016.06.28	-	-	-	-	-	-	-	-	MBA, National Chengchi University	Chief Investment Officer of APP-China Independent Director of Kedge Construction Co., Ltd. Director Representative of PharmaEssentia Corp. Independent Director of Ever Power IPP Co., Ltd.	-	-	-	
Independent Director	Republic of China	Kuo-Feng Lin	Male/ 66-70	2019.06.10	3 years	2019.06.10	-	-	-	-	-	-	-	-	Ph.D. in Civil Engineering, University of Pittsburgh	Distinguished professor from Department of Civil Engineering, National Taiwan University Independent Director of Kedge Construction Co., Ltd. Independent Director of Ruentex Engineering & Construction Co., Ltd. Independent Director of TaiMed Biologics	-	-	-	

Note 1: In the case of institutional shareholders, the names and representatives should be indicated respectively (for representatives, the names of institutional shareholders they represent should be indicated) and filled in the following table.

Note 2: Fill in the time as the company's director or supervisor for the first time. Any interruption period during the term shall be noted.

Note 3: For experiences relevant to the current position, if the person held a position in the accounting firm providing audit services to the Company or in any affiliated companies during the above-mentioned periods, his/ her title and job responsibilities shall be specified.

Note 4: If the chairman of the Company is the same person as, spouse or relative within first degree of kinship of the general manager or the person holding equivalent position (top manager), he/she shall explain the reasons, rationality, necessity, corresponding measures (such as increasing the number of independent directors, keeping more than half of the directors not concurrently serving as employees or managers, etc.) and other related information.

(II) Major Shareholders of the Institutional Shareholders:

May 1, 2022

Name of institutional shareholder (note 1)	Major shareholders of institutional shareholder (Note 2)
Yu-De Investment Co.	Account Special for Estate under Trust with Cathay United Bank (43.70%), Mike Ma (29.92%), Shau-Ling Ma (13.19%) and Ming-Nai Ma (13.19%).

Note 1: If the Director or supervisor is a representative of an institutional shareholder, his/her name shall be specified.

Note 2: Please fill in the name and the shareholding percentage of the major shareholders of institutional shareholders (shareholders with the 10 highest shareholding percentage). If the major shareholders are legal entities, information shall be additionally provided in the following table.

Note 3: For corporate shareholders who are not under the organization of the Company, the name and shareholding of the shareholders shall be disclosed (i.e. name of the investor or donor and their investment or donation ratio).

(III) Disclosure of Professional Qualifications of Directors and Independence of Independent Directors:

Qualification / Name	Professional Qualifications and Experience (Note 1)	Independence Criteria (Note 2)	Number of other public companies where the individual concurrently serves as an independent director
Chairman Mike Ma	(1) With work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. (2) Currently serves as the Chairman of the Board of Directors of the Company and Director of Kedge Construction Co. Ltd. (3) Served as the Director of the Company. (4) None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	(Not Applicable)	None
Director Mei-Chu Liu	(1) With work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. (2) Currently serves as the Chairman of the Board of Directors of Yu-De Investment Co. and Director of Kedge Construction Co. Ltd. (3) Served as Director of the Company. (4) None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	(Not Applicable)	None
Director Ching-Chin Hung	(1) With work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. (2) Currently serves as the General Manager of the Company. (3) Served as Director of the Company. (4) None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	(Not Applicable)	None

Qualification / Name	Professional Qualifications and Experience (Note 1)	Independence Criteria (Note 2)	Number of other public companies where the individual concurrently serves as an independent director
Director Sheng-An Chang	(1) With work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. (2) Currently serves as Vice General Manager of the Company and Vice President of Kindom Yu San Education Foundation, a corporate body. (3) Served as the Director of the Company. (4) None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	(Not Applicable)	None
Director Ching-Fen, Chang	(1) With work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. (2) Currently serves as the Director of the Chairman's Office of the Company and Manager of the Department of Administrative Services. (3) None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	(Not Applicable)	None
Director Ming Chen	(1) With work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. (2) Served as Director of the Company. (3) None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	(Not Applicable)	None
Independent Director Hung-Chin Huang	(1) With work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. (2) Currently serves as the Independent Director of Kedge Construction Co., Ltd. (3) Currently serves as the Assistant Professor in Department of Accounting, Fu Jen Catholic University. (4) None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	(1) The Independent Directors of the Company fulfil the criteria of independence. (2) No independent director, or his/her spouse, or relatives within the second degree of kinship are directors, supervisors or employees of the Company or other affiliated companies; and no director, supervisor or employee of companies with which the Company has a specific relationship, or which do not hold shares of the Company. (3) There were no remuneration for business, legal, financial, or accounting services for the Company or other affiliated companies in the last two years.	1

Qualification / Name	Professional Qualifications and Experience (Note 1)	Independence Criteria (Note 2)	Number of other public companies where the individual concurrently serves as an independent director
Independent Director Shen-Yu Kung	(1) With work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. (2) Currently serves as the Independent Director of Kedge Construction Co., Ltd., Chief Investment Officer of APP-China, Director Representative of PharmaEssentia Corp. and Independent Director of Ever Power IPP Co., Ltd. (3) Served as Independent Director of Donpon Precision Inc. (4) None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	(1) The Independent Directors of the Company fulfil the criteria of independence. (2) No independent director, or his/her spouse, or relatives within the second degree of kinship are directors, supervisors or employees of the Company or other affiliated companies; and no director, supervisor or employee of companies with which the Company has a specific relationship, or which do not hold shares of the Company. (3) There were no remuneration for business, legal, financial, or accounting services for the Company or other affiliated companies in the last two years.	1
Independent Director Kuo-Feng Lin	(1) With work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company. (2) Currently serves as the Independent Director of Kedge Construction Co., Ltd., Independent Director of Ruentex Engineering & Construction Co., Ltd. and Independent Director of TaiMed Biologics (3) Currently serves as Distinguished Professor from Department of Civil Engineering, National Taiwan University. (4) None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	(1) The Independent Directors of the Company fulfil the criteria of independence. (2) No independent director, or his/her spouse, or relatives within the second degree of kinship are directors, supervisors or employees of the Company or other affiliated companies; and no director, supervisor or employee of companies with which the Company has a specific relationship, or which do not hold shares of the Company. (3) There were no remuneration for business, legal, financial, or accounting services for the Company or other affiliated companies in the last two years.	3

Note 1: Professional Qualifications and Experience: The professional qualifications and experience of individual directors and supervisors shall be described, and if they are members of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience shall be described, and whether they are not covered by the circumstances in the subparagraphs of Article 30 of the Company Act.

Note 2: The independent director shall state the circumstances that qualify him/her to be independent, including but not limited to whether the independent director, his/her spouse or relatives within the second degree of kinship serve as directors, supervisors or employees of the Company or its affiliates; The number and weight of shares of the Company held by independent directors, his/her spouses, relatives within the second degree of kinship (or using the names of others); Whether they are directors, supervisors or employees of companies with specific relationships with the Company (refer to Article 3, Paragraph 1, Paragraphs 5~8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); The amount of remuneration received for the provision of business, legal, financial and accounting services to the Company or its affiliated companies in the last two years.

(IV) Diversity of the Board of Directors:

In accordance with the Company's diversification policy and to strengthen corporate governance and promote the development of a sound composition and structure of the Board of Directors, the Company adopts a candidate nomination system for the nomination of director candidates in accordance with the Company's Articles of Incorporation, evaluates the candidates' academic (experience) qualifications, measures their professional background, integrity or relevant professional qualifications, etc., and submits them to the shareholders' meeting for election after approval by the Board of Directors. The composition of the Board of Directors, except that the number of directors who are also managers of the Company shall not exceed one-third of the total number of directors, and shall formulate appropriate diversification policies with respect to its operation, business model and development needs, including but not limited to the following:

(1) Basic requirements and values: Gender, Age, Nationality and Culture.
(2) Professional knowledge and skills: Business judgment, accounting and financial analysis, business management, crisis management, industrial knowledge, international market perspective, leadership and decision-making skills.

The current Board of Directors of the Company consists of nine directors, and the specific management objectives and achievements of the Board's diversity policy are as follows:

Management Objectives	Achievement
Number of independent directors exceeds one-third of the total number of directors	Achieved
The number of directors who are also managers of the Company shall not exceed one-third of the number of directors	Achieved
The term of office of independent directors does not exceed three terms	Achieved
Adequate diversity of professional knowledge and skills	Achieved

The composition of the Board of Directors is diversified, as shown in the following table：

Diversified Core Competences / Name of directors		Basic Composition			Professional Competence					Background					
		Nationality	Gender	Concurrently serving as an employee of the Company (Parent)	Business judgment	Business management	Industrial knowledge	Finance and accounting	Decision-making leadership	Business	Document processing	Civil engineering	Land administration	Accounting	Business management
Director	Mike Ma	Republic of China	Male		✓	✓	✓	✓	✓	✓					
Director	Mei-Chu Liu	Republic of China	Female		✓	✓	✓	✓	✓	✓					
Director	Ming Chen	Republic of China	Female		✓	✓	✓		✓		✓				
Director	Ching-Chin Hung	Republic of China	Male	✓	✓	✓	✓		✓			✓			
Director	Sheng-An Chang	Republic of China	Male	✓	✓	✓	✓		✓				✓		
Director	Ching-Fen, Chang	Republic of China	Female	✓	✓	✓	✓	✓	✓	✓					
Independent Director	Hung-Chin Huang	Republic of China	Male		✓	✓	✓	✓	✓					✓	
Independent Director	Shen-Yu Kung	Republic of China	Male		✓	✓	✓	✓	✓						✓
Independent Director	Kuo-Feng Lin	Republic of China	Male		✓	✓	✓		✓			✓			

(VI) Independence of the Board of Directors:

The election process of all directors of the Company is open and fair and complies with the Company's Articles of Incorporation, the "Rules Governing the Election of Directors", the "Code of Corporate Governance Practices", the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and "Article 14-2 of the Securities and Exchange Act", etc. The current composition of the Board of Directors is 3 independent directors (33%) and 6 non-independent directors (67%), respectively.

The Board of Directors directs the Company's strategy, supervises the management, and is responsible to the Company and its shareholders. The Board of Directors exercises its authority in all operations and arrangements of the corporate governance system in accordance with the Company's Articles of Incorporation or resolutions of the shareholders' meeting. The Board of Directors of the Company emphasizes the function of independent operation and transparency, and the directors and independent directors are independent individuals who exercise their duties and responsibilities independently. Three independent directors, in accordance with the relevant laws and regulations, together with the authority of the Audit Committee, review the control of the Company's existing or potential risks, so as to ensure the effective implementation of the Company's internal controls, the selection (dismissal) of the CPAs, and the independence and proper preparation of the financial statements. The Company has established a performance evaluation system for the Board of Directors and performs internal self-evaluation of the Board of Directors and self-evaluation of the Board members once a year, and the evaluation results are disclosed in the Company's annual report and website after being reported to the Board of Directors.

(VII) Information of the General Manager, Vice General Manager, Assistant manager, Directors of Departments and Branches:

May 1, 2022

Title (Note 1)	Nationality	Name	Gender	Date elected (taking office)	Shareholding		Spouse & minor shareholding		Shareholding by nominee arrangement		Education and working experience (Note 2)	Other position concurrently held at other companies	If the spouse or any family member within the second degree of kinship also serves as manager			Remarks (Note 3)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
General Manager	Republic of China	Ching-Chin Hung	Male	2015.01.21	158	-	52,093	0.01	-	-	Department of Civil Engineering, National Taipei University of Technology	None	-	-	-	
Vice General Manager	Republic of China	Sheng-An Chang	Male	2015.10.01	8,764	-	-	-	-	-	Department of Land Management, Feng Chia University	Vice President of Kindom Yu San Education Foundation, a corporate body	-	-	-	
Vice General Manager	Republic of China	Si-Han Chen	Male	2015.10.01	11,000	-	-	-	-	-	Department of Management, National Taiwan University	None	-	-	-	
Acting Vice General Manager	Republic of China	Peng-Lung Hua	Male	2019.04.01	-	-	-	-	-	-	Department of Architecture, Feng Chia University	None	-	-	-	
Senior Assistant Manager	Republic of China	Shu-Yuan Lin	Female	2018.03.01	-	-	-	-	-	-	Department of Business Administration, Tamkang University	Chairman of Jiequn Investment Co., Ltd.	-	-	-	
Senior Assistant Manager	Republic of China	Shu-Lian, Chang	Female	2016.09.01	5,636	-	-	-	-	-	Department of Accounting and Statistics, Chihlee University of Technology	Director of Guanqing Electromechanical Co., Ltd.	-	-	-	
Senior Assistant Manager	Republic of China	Qian-Fang, Hwang	Male	2014.03.01	-	-	-	-	-	-	Institute of Architecture, Tamkang University	Director of Guanqing Electromechanical Co., Ltd.	-	-	-	
Senior Assistant Manager	Republic of China	Da-Gung Chou	Male	2015.08.03	-	-	-	-	-	-	Department of Architecture, George Vocational High School of Taipei	None	-	-	-	
Assistant Manager	Republic of China	Hsiu-Hsia Chu	Female	2019.12.01	-	-	-	-	-	-	Department of Architecture, Cheng Shiu University	None	-	-	-	
Assistant Manager	Republic of China	Li-Jen Chou	Male	2020.01.01	8,800	-	-	-	-	-	Department of Land Administration, National Chengchi University	None	-	-	-	

Title (Note 1)	Nationality	Name	Gender	Date elected (taking office)	Shareholding		Spouse & minor shareholding		Shareholding by nominee arrangement		Education and working experience (Note 2)	Other position concurrently held at other companies	If the spouse or any family member within the second degree of kinship also serves as manager			Remarks (Note 3)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Assistant Manager	Republic of China	Chuan-Hung Wu	Male	2017.08.01	-	-	-	-	-	-	Institute of Architecture and Urban Design, National Taipei University of Technology	None	-	-	-	
Assistant Manager	Republic of China	Ta-Hsin, Chou	Male	2018.06.01	-	-	3,300	-	-	-	Department of Public Relations, Shih Hsin University	None	-	-	-	
Acting Assistant Manager	Republic of China	Heng-Chia, Chang	Male	2019.11.01	1,100	-	2,200	-	-	-	Department of Architecture, Chung Yuan Christian University	None	-	-	-	
Chief Corporate Governance Officer	Republic of China	Li-Ya Chen	Female	2021.01.01	-	-	-	-	-	-	Department of Business Administration, Chung Yuan Christian University	Director of Finance and Accounting and Chief Corporate Governance Officer of Kedge Construction Co., Ltd.	-	-	-	
Project Assistant Manager	Canada	En-Hui, Yao	Female	2021.09.01	-	-	-	-	-	-	Department of Accounting and Financial Management and Department of Economics, University of Sheffield, UK	None	-	-	-	

Note 1: Information regarding General Manager, Vice General Manager, Assistant Managers and managers of departments and branches, or equivalent positions shall be disclosed regardless of the job titles.

Note 2: For experiences relevant to the current position, if the person held a position in the accounting firm providing audit services to the Company or in any affiliated companies during the above-mentioned periods, his/ her title and job responsibilities shall be specified.

Note 3: If the General Manager or person holding the equivalent post (top manager) is the same person as, spouse or relative within first degree of kinship of the Chairman of the board, information concerning the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors, and the way that more than half of the directors are not employees or managers) shall be disclosed.

III. Remuneration Paid during the Most Recent Fiscal Year to Directors, Supervisors, General Managers, and Vice General Managers:

(I) Remuneration to directors:

Unit: NT$ 1,000

<table>
<tr><th rowspan="4">Title</th><th rowspan="4">Name
(Note 1)</th><th colspan="8">Remuneration to directors</th><th colspan="2" rowspan="2">Total remuneration under items A, B, C and D as a percentage of net income after tax
(Note 10)</th><th colspan="8">Relevant remuneration received by directors who are also employees</th><th colspan="2" rowspan="2">Total remuneration under items A, B, C, D, E, F and G as a percentage of net income after tax (Note 10)</th><th rowspan="4">Any remuneration from ventures that are not subsidiaries of the Company or from the parent company (Note 11)</th></tr>
<tr><th colspan="2">Remuneration (A)
(Note 2)</th><th colspan="2">Severance pay and pension (B)</th><th colspan="2">Remuneration to directors (C)
(Note 3)</th><th colspan="2">Allowance for professional practice (D)
(Note 4)</th><th colspan="2">Salaries, bonus and special expenses (E)
(Note 5)</th><th colspan="2">Severance pay and pension (F)</th><th colspan="4">Employee remuneration (G)
(Note 6)</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies listed in this Financial Report (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">All companies listed in this Financial Report (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">All companies listed in this Financial Report (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">All companies listed in this Financial Report (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">All companies listed in this Financial Report (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">All companies listed in this Financial Report (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">All companies listed in this Financial Report (Note 7)</th><th colspan="2">The Company</th><th colspan="2">All companies listed in this Financial Report (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">All companies listed in this Financial Report (Note 7)</th></tr>
<tr><th>Amount in Cash</th><th>Amount in Stock</th><th>Amount in Cash</th><th>Amount in Stock</th></tr>
<tr><td>Chairman</td><td>Yu-De Investment Co. Representative: Mike Ma</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">53,929</td><td rowspan="4">53,929</td><td rowspan="4">3,481</td><td rowspan="4">6,408</td><td rowspan="4">1.64%</td><td rowspan="4">1.72%</td><td rowspan="4">24,636</td><td rowspan="4">28,261</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">7,977</td><td rowspan="4">-</td><td rowspan="4">7,977</td><td rowspan="4">-</td><td rowspan="4">2.57%</td><td rowspan="4">2.75%</td><td rowspan="4">None</td></tr>
<tr><td>Director</td><td>Yu-De Investment Co. Representative: Mei-Chu Liu</td></tr>
<tr><td>Director</td><td>Yu-De Investment Co. Representative: Ching-Chin Hung</td></tr>
<tr><td>Director</td><td>Yu-De Investment Co. Representative: Sheng-An Chang</td></tr>
</table>

Title	Name (Note 1)	Remuneration to directors								Total remuneration under items A, B, C and D as a percentage of net income after tax (Note 10)		Relevant remuneration received by directors who are also employees								Total remuneration under items A, B, C, D, E, F and G as a percentage of net income after tax (Note 10)		Any remuneration from ventures that are not subsidiaries of the Company or from the parent company (Note 11)
		Remuneration (A) (Note 2)		Severance pay and pension (B)		Remuneration to directors (C) (Note 3)		Allowance for professional practice (D) (Note 4)				Salaries, bonus and special expenses (E) (Note 5)		Severance pay and pension (F)		Employee remuneration (G) (Note 6)						
		The Company	All companies listed in this Financial Report (Note 7)	The Company	All companies listed in this Financial Report (Note 7)	The Company	All companies listed in this Financial Report (Note 7)	The Company	All companies listed in this Financial Report (Note 7)	The Company	All companies listed in this Financial Report (Note 7)	The Company	All companies listed in this Financial Report (Note 7)	The Company	All companies listed in this Financial Report (Note 7)	The Company		All companies listed in this Financial Report (Note 7)		The Company	All companies listed in this Financial Report (Note 7)	
																Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock			
Director	Yu-De Investment Co. Representative: Ching-Fen, Chang																					
Director	Yu-De Investment Co. Representative: Ming Chen																					
Independent Director	Hung-Chin Huang																					
Independent Director	Shen-Yu Kung																					
Independent Director	Kuo-Feng Lin																					

1.Please state the policies, systems, standards, and structure for the remuneration of the Independent Directors, and state the correlation to the remuneration according to the responsibilities, risks time commitment and other factors: In accordance with the Articles of Incorporation, the Independent Directors shall receive remuneration on a monthly basis and shall not participate in the annual distribution of directors' remuneration.
2.Other than disclosure in the above table, Directors remunerations received by providing services (e.g. providing consulting services as a non-employee) to the Company and all consolidated entities in the financial statements of the most recent year: None.

Note: The Company provided Mike Ma, the Chairman, with a car at a monthly rent of NT$125,000 and paid NT$661,000 to his driver in 2021.

The Company provided Ching-Chin Hung, a director and the General manager, a car at an original cost of NT$ 2,170,000.

Range of remuneration

Range of remuneration paid to directors	Name of directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies listed in this Financial Report (H) (Note 9)	The Company (Note 8)	All companies listed in this Financial Report (I) (Note 9)
Lower than NT$1,000,000	Mike Ma, Mei-Chu Liu, Ching-Chin Hung, Sheng-An Chang, Ching-Fen Chang, Ming Chen, Shen-Yu Kung, Hung-Chin Huang and Kuo-Feng Lin	Mike Ma, Mei-Chu Liu, Ching-Chin Hung, Sheng-An Chang, Ching-Fen Chang, Ming Chen, Shen-Yu Kung, Hung-Chin Huang and Kuo-Feng Lin	Mei-Chu, Liu, Ming, Chen, Shen-Yu, Kung, Hung-Chin, Huang and Kuo-Feng, Lin	Mei-Chu, Liu, Ming, Chen, Shen-Yu, Kung, Hung-Chin, Huang and Kuo-Feng, Lin
NT$1,000,000 (inclusive) ~ 2,000,000 (exclusive)	-	-	-	-
NT$2,000,000 (inclusive) ~ 3,500,000 (exclusive)	-	-	Ching-Fen, Chang	Ching-Fen, Chang
NT$3,500,000 (inclusive) ~ 5,000,000 (exclusive)			-	-
NT$5,000,000 (inclusive) ~ 10,000,000 (exclusive)	-	-	Ching-Chin Hung, Sheng-An Chang	Ching-Chin Hung, Sheng-An Chang
NT$10,000,000 (inclusive) ~ 15,000,000 (exclusive)	-	-	Mike Ma	-
NT$15,000,000 (inclusive) ~ 30,000,000 (exclusive)	-	-	-	Mike Ma
NT$30,000,000 (inclusive) ~ 50,000,000 (exclusive)	-	-	-	-
NT 50,000,000 (inclusive) ~ 100,000,000 (exclusive)	Yu-De Investment Co.	Yu-De Investment Co.	Yu-De Investment Co.	Yu-De Investment Co.
Over NT$100,000,000	-	-	-	-
Total	Number of legal representative(s): 6 Number of natural person(s): 3 Number of institutional shareholder(s): 1	Number of legal representative(s): 6 Number of natural person(s): 3 Number of institutional shareholder(s): 1	Number of legal representative(s): 6 Number of natural person(s): 3 Number of institutional shareholder(s): 1	Number of legal representative(s): 6 Number of natural person(s): 3 Number of institutional shareholder(s): 1

Note 1: The names of directors (names of institutional shareholders and representatives shall be listed separately) as well as the general directors and independent directors shall be listed separately and all payment amounts shall be disclosed as aggregate amounts. If a director concurrently serves as the general manager or vice general manager, his/her name and the amount of remuneration paid to him/her shall be listed in this table and Table (3-1) or (3-2) below. Please refer to P.13.

Note 2: The amount of the remuneration paid to directors in the most recent year (including director's salaries, allowances, severance, bonuses, and incentives, etc.).

Note 3: The amount of the remuneration paid to directors in the most recent year as approved by the Board of Directors shall be filled out.

Note 4: Allowances for professional practice paid out to directors in the most recent year (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods and services). If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is assigned, disclose compensation paid to the driver in a note; however, do not include it as part of executive compensation.

Note 5: Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and driver allowance received by directors who concurrently serve as employees (including as General Manager, Vice General Manager, other managerial officer and an employee) in the most recent fiscal year. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is assigned, disclose compensation paid to the driver in a note; however, do not include it as part of executive compensation. In addition, any salary listed under "Share-Based Payment" of IFRS 2, including the warrants obtained by employees, new shares with restricted employee power and subscription of shares for cash capital increase, shall also be included in remuneration.

Note 6: For directors concurrently holding positions in the Company in the most recent fiscal year (including the General Manager, Vice General Manager, other managerial officers, or employees) and receiving the remuneration (including stock and cash), the employees' remuneration paid in the most recent fiscal year upon the approval of the Board of Directors shall be disclosed. If such remuneration cannot be estimated, the remuneration to be distributed in the most fiscal year shall be based on the proportion of the remuneration distributed last year and filled in Schedule 1-3. Please refer to P.15.

Note 7: Please disclose the aggregate amount of the remuneration to the Company's directors from the companies included in the consolidated financial statements (including the Company).

Note 8: When the aggregate amount of the remuneration to the Company's directors is disclosed, the name of the director shall also be disclosed in the relevant range.

Note 9: When the aggregate amount of the remuneration paid to the Company's directors from all companies in the consolidated financial statements (including the Company) is disclosed, the name of the Director shall also be disclosed in the relevant range.

Note 10: Net income after income tax refers to the one in the most recent year. Where IFRSs are adopted, net income after tax refers to the net income after income tax recorded in the entity's or individual financial statements.

Note 11:

a. The amount of remuneration received from investees other than subsidiaries by the company's directors should be listed clearly in this column.
b. If the directors of the Company receive remuneration from non-subsidiary companies invested by this Company or the parent company, the amount of remuneration received by the directors from non-subsidiary companies invested by this Company or the parent company shall be combined into column I of the Table of Remuneration Brackets and this column shall be renamed as "The Parent Company and All Invested Companies".
c. Remuneration refers to rewards, compensations (including compensation to company employees, directors or supervisors) and allowances for professional practice received by the Director from other non-subsidiary companies invested by this Company or the parent company for their services as directors, supervisors, or managers.

* The remuneration disclosed in this table is different from the concepts stipulated in the Income Tax Act. The purpose of this table is for information disclosure, not taxation

(II) Remuneration to General Managers and Vice General Managers:

Unit: NT$ 1,000

Title	Name	Compensation (A) (Note 2)		Severance pay and pension (B)		Bonus and special expenses (C) (Note 3)		Amount of employee rewards (D) (Note 4)				Total remuneration under items A, B, C and D as a percentage of net income after tax (%) (Note 8)		Any remuneration from ventures that are not subsidiaries of the Company or from the parent company (Note 9)
		The Company	All companies listed in this Financial Report (Note 5)	The Company	All companies listed in this Financial Report (Note 5)	The Company	All companies listed in this Financial Report (Note 5)	The Company		All companies listed in this Financial Report (Note 5)		The Company	All companies listed in this Financial Report (Note 5)	
								Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock			
General Manager	Ching-Chin Hung	6,575	6,575	-	-	5,644	5,644	9,819	-	9,819	-	0.63%	0.63%	None
Vice General Manager	Sheng-An Chang													
Vice General Manager	Si-Han Chen													
Acting Vice General Manager	Peng-Lung Hua													

Range of remuneration

Range of compensation paid to each general manager and vice general manager of the Company	Name of general managers and vice general managers	
	The Company (Note 6)	All companies listed in this Financial Report (E) (Note 7)
Lower than NT$1,000,000	-	-
NT$1,000,000 (inclusive)～2,000,000 (exclusive)	-	-
NT$2,000,000 (inclusive)～3,500,000 (exclusive)	Si-Han Chen, Peng-Lung Hua	Si-Han Chen, Peng-Lung Hua
NT$3,500,000 (inclusive) ~ 5,000,000 (exclusive)	-	-
NT$5,000,000 (inclusive) ~ 10,000,000 (exclusive)	Ching-Chin Hung, Sheng-An Chang	Ching-Chin Hung, Sheng-An Chang
NT$10,000,000 (inclusive) ~ 15,000,000 (exclusive)	-	-
NT$15,000,000 (inclusive) ~ 30,000,000 (exclusive)	-	-
NT$30,000,000 (inclusive) ~ 50,000,000 (exclusive)	-	-
NT 50,000,000 (inclusive) ~ 100,000,000 (exclusive)	-	-
Over NT$100,000,000	-	-
Total	4	4

Note 1: The names of the general managers and vice general managers shall be listed separately and all payment amounts shall be disclosed as aggregate amounts. If a director concurrently serves as a general manager or vice general manager, his/her name and the amount of remuneration paid to him/her shall be listed in this table and Table (1-1) or (1-2) above. See pages 7-8 for details.

Note 2: Please specify the salaries, duty allowances and severance pay paid to the general managers and vice general managers in the most recent fiscal year.

Note 3: Cash and non-cash compensations to the general managers and vice general managers in the most recent year, including bonus, reward, reimbursement of expenses, special allowances, various subsidies, housing and use of vehicle. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is assigned, disclose compensation paid to the driver in a note; however, do not include it as part of executive compensation. In addition, any salary listed under "Share-Based Payment" of IFRS 2, including the warrants obtained by employees, new shares with restricted employee power and subscription of shares for cash capital increase, shall also be included in remuneration.

Note 4: Fill in the compensations to general managers and vice general managers (stock and cash) subject to approval of the Board of Directors in the most recent year; if such compensations cannot be estimated, an estimation for this year shall be calculated in proportion of the compensations paid last year and the amount shall be listed in Table 1-3. Please see #page13# for details. Net income after income tax refers to the one in the most recent year. Where IFRSs are adopted, net income after tax refers to the net income after income tax recorded in the parent company only or separate financial statements.

Note 5: Please disclose the aggregate amount of the remuneration to the Company's general managers and vice general managers from the companies included in the consolidated financial statements (including the Company).

Note 6: Total remuneration paid to each general manager and vice general manager by the Company shall be disclosed and the names of the General Managers and Deputy General Managers shall also be disclosed in the proper remuneration range.

Note 7: Total compensation of various items paid to every general manager and vice general manager of this Company by all companies (including this Company) listed in the consolidated statement shall be disclosed. The name of the general manager and vice general manager shall also be disclosed in the proper compensation range.

Note 8: Net income after income tax refers to the one in the most recent year. Where IFRSs are adopted, net income after tax refers to the net income after income tax recorded in the entity's or individual financial statements.

Note 9:

a. This field should clearly indicate the amount of remuneration received by the Company's general managers and vice general managers from a reinvested business other than a subsidiary or the parent company (if not, please fill in "None").
b. If the general managers and vice general managers of the Company receive remuneration from non-subsidiary companies invested by this Company or the parent company, the amount of remuneration received by the general manager or vice general manager from non-subsidiary companies invested by this Company or the parent company shall be combined into column I of the Table of Remuneration Brackets and this column shall be renamed as "The Parent Company and All Reinvested Companies".
c. Remuneration refers to rewards, compensations (including compensation to company employees, directors or supervisors) and allowances for professional practice received by general managers and vice general managers from other non-subsidiary companies invested by the Company or the parent company for their services as directors, supervisors, or managers.

* The remuneration disclosed in this table is different from the concepts stipulated in the Income Tax Act. The purpose of this table is for information disclosure, not taxation

(III) Names of Managers and the Allocation of Employee's Remuneration:

Unit: NT$ 1,000

<table>
<tr><th></th><th>Title
(Note 1)</th><th>Name
(Note 1)</th><th>Amount in Stock</th><th>Amount in Cash</th><th>Total</th><th>Total as a percentage of net income after tax (%)</th></tr>
<tr><td rowspan="14">Managerial Officer</td><td>General Manager</td><td>Ching-Chin Hung</td><td rowspan="14">-</td><td rowspan="14">17,543</td><td rowspan="14">17,543</td><td rowspan="14">0.50%</td></tr>
<tr><td>Vice General Manager</td><td>Sheng-An Chang</td></tr>
<tr><td>Vice General Manager</td><td>Si-Han Chen</td></tr>
<tr><td>Acting Vice General Manager</td><td>Peng-Lung Hua</td></tr>
<tr><td>Senior Assistant Manager</td><td>Shu-Yuan Lin</td></tr>
<tr><td>Senior Assistant Manager</td><td>Shu-Lian, Chang</td></tr>
<tr><td>Senior Assistant Manager</td><td>Qian-Fang, Hwang (Note 6)</td></tr>
<tr><td>Senior Assistant Manager</td><td>Da-Gung Chou (Note 6)</td></tr>
<tr><td>Senior Assistant Manager</td><td>Hsiu-Hsia Chu (Note 7)</td></tr>
<tr><td>Senior Assistant Manager</td><td>Li-Jen Chou (Note 7)</td></tr>
<tr><td>Assistant Manager</td><td>Chuan-Hung Wu (Note 6)</td></tr>
<tr><td>Assistant Manager</td><td>Ta-Hsin, Chou (Note 6)</td></tr>
<tr><td>Acting Assistant Manager</td><td>Heng-Chia, Chang</td></tr>
<tr><td>Project Assistant Manager</td><td>En-Hui, Yao (Note 5)</td></tr>
</table>

Note 1: Individual name and title must be disclosed, but the profit sharing awarded may be shown as an aggregated number.

Note 2: Fill in the compensations to managers (stock and cash) subject to approval of the Board of Directors in the most recent year; if such compensations cannot be estimated, an estimation for this year shall be calculated in proportion of the compensations paid last year. Net income after income tax refers to the one in the most recent year. Where IFRSs are adopted, net income after tax refers to the net income after income tax recorded in the entity's or individual financial statements.

Note 3: Managers subject to the rewarding (per Letter TCZ-III-No.0920001301 of the Financial Supervisory Commission, Executive Yuan of the Taiwan Stock Exchange Corporation issued on March 27, 2003), its scope is as follows:

(1) General managers and their equivalents;
(2) Vice general manager and their equivalents;
(3) Assistant managers and their equivalents;
(4) Chief financial officer;
(5) Chief accounting officer; and
(6) other persons authorized to manage affairs and sign documents on behalf of a company.

Note 4: For directors, general managers and vice general managers who received employee remuneration (including stock and cash), this table must be filled out in addition to Table (VI) and Table 1 above.

Note 5: Newly elected on September 1, 2021.

Note 6: Promoted on October 1, 2021.

Note 7: Promoted on April 1, 2022.

(IV) Separately compare and describe total remuneration, as a percentage of net income, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to Directors, General Manager, and Vice General Managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. In accordance with Article 20 of the Company's Articles of Incorporation, the remuneration to directors shall be decided by the Board of Directors based on the involvement in and contribution to operations of the Company by such directors, and in reference to the general peer levels. In 2021, the total amounts of remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors as percentages of the net income after tax were down to 2.57% and 2.75% respectively from 3.29% and 3.47% in 2020, mainly due to the increase in net income after tax compared to the previous period, which is reasonable.
2. The remuneration to the Company's general managers and vice general managers shall be verified by the chairman in accordance with the table of remuneration brackets, the calculation methods of business performance-based bonus and assessment methods, and submitted to the Remuneration Committee and Board of Directors for review. In 2021, the total amounts of remuneration paid by the Company and all companies included in the consolidated financial reports to the Company's General Manager and Vice General Managers as percentages of the net income after tax were down to 0.63% and 0.63% respectively from 1.27% and 1.27% in 2020, mainly due to the increase in net income after tax compared to the previous period, which is reasonable.
3. Correlation with future risk exposure: None.

IV. Implementation of Corporate Governance:

(I) Functionality of the Board of Directors:

A total of 9 meetings (A) of the Board of Directors were held in the most recent year. The attendance of director and supervisors was as follows:

Title	Name (Note 1)	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) [B/A] (Note 2)	Remarks
Chairman	Yu-De Investment Co. Representative: Mike Ma	9	0	100.00%	
Director	Yu-De Investment Co. Representative: Mei-Chu Liu	3	5	33.33%	
Director	Yu-De Investment Co. Representative: Ching-Chin Hung	9	0	100.00%	
Director	Representative of Yu-De Investment Co.: Sheng-An Chang	9	0	100.00%	
Director	Representative of Yu-De Investment Co.: Ching-Fen, Chang	9	0	100.00%	
Director	Representative of Yu-De Investment Co.: Ming Chen	9	0	100.00%	
Independent Director	Hung-Chin Huang	9	0	100.00%	
Independent Director	Shen-Yu Kung	6	3	66.66%	
Independent Director	Kuo-Feng Lin	9	0	100.00%	

Other mentionable items:

I. With regard to the functionality of the Board of Directors, if any of the following circumstances arises, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response thereto shall be specified:

(I) Items listed in Article 14-3 of the Securities and Exchange Act.

(II) In addition to the preceding matter, other resolutions of the Board of Directors on which independent directors have dissenting opinions or qualified opinions, and that are documented or issued through written statements.

The Company has set up an audit committee. Please refer to (II) Functionality of the Audit Committee for the items listed under Article 14-5 of the Securities and Exchange Act. As of the date of publication of this Annual Report, all matters resolved by the Board of Directors have been adopted by all present directors.

II. Where a Director recuses himself or herself from a proposal in which he/she has a personal interest, the name of the Director, the content of proposal, the reason for recusal and the results of the voting shall be stated:

(I) When discussing and voting on the proposal for the Chairman's performance bonus for 2020 of the Company adopted by the Remuneration Committee at the 13th meeting of the 12th Board of Directors on March 26, 2021, Mike, Ma, the Chairman, as an interested party, recused himself. Chairman Ma appointed Hung-Chin Huang, an independent director, to take the chair temporarily. All other directors present agree to adopt the proposal.

(II) When discussing and voting on the proposal for the Chairman's request to reduce the performance bonus for 2020, considering the future growth space of the Company, adopted by the Remuneration Committee at the 13th meeting of the 12th Board of Directors on March 26, 2021, Mike, Ma, the Chairman, as an interested party, recused himself. Chairman Ma appointed Hung-Chin Huang, an independent director, to take the chair temporarily. All other directors present agree to adopt the proposal.

(III) When discussing and voting on the proposal for the release of the Company's managers from the restrictions on the non-competition at the 13th meeting of the 12th Board of Directors on March 26, 2021, Sheng-An, Chang, a director, as an interested party, recused himself. All the other directors present adopted with consents.

(IV) When discussing and voting on the proposal for the annual employee compensation for managers in accordance with the "Annual Employee Compensation Measures" of the Company as adopted by the Remuneration Committee at the 20th meeting of the 12th Board of Directors on December 27, 2021, Mike, Ma, Ching-Chin, Hung, Sheng-An, Chang and Ching-Fen, Chang, all directors, as interested parties and Mei-Chu, Liu, a director, as a relative within the first- degree kinship to Chairman Ma, recused themselves. Chairman Ma appointed Hung-Chin Huang, an independent director, to take the chair temporarily. All other directors present agree to adopt the proposal.

(V) When discussing and voting on the proposal for the adjustment of meal allowance for 15 persons at or above the assistant manager level of the Company as adopted by the Remuneration Committee at the 20th meeting of the 12th Board of Directors on December 27, 2021, Mike, Ma, Ching-Chin, Hung and Sheng-An, Chang, all directors, as interested parties and Mei-Chu, Liu, a director, as a relative within the first- degree kinship to Chairman Ma, recused themselves. Chairman Ma appointed Hung-Chin Huang, an independent director, to take the chair temporarily. All other directors present agree to adopt the proposal.

(VI) When discussing and voting on the proposal for a donation of NT$ 9 million only to Kindom Yu San Education Foundation, a corporate body, in 2022 at the 20th meeting of the 12th Board of Directors on December 27, 2021, Mike, Ma, the chairman, as a director of the Foundation, and Mei-Chu, Liu, a director, as a relative within the first-degree kinship to Chairman Ma, and Sheng-An, Chang, a director, as the vice president of the Foundation, recused themselves. Chairman Ma appointed Hung-Chin Huang, an independent director, to take the chair temporarily. All other directors present agree to adopt the proposal.

III. Execution of Board Performance Evaluation

Assessment cycle	Assessment duration	Scope of assessment	Assessment method	Assessment details
The evaluation shall be conducted on a yearly	From January 1 to December 31, 2021	It includes performance	Internal self-evaluation on the	The evaluation shall be conducted in accordance

basis, completed before the end of the first quarter of the following year, and submitted to the Board of Directors for review and improvement.		evaluation on the overall Board of Directors, individual directors and functional committees.	Board of Directors, directors and functional committees is included.	with Article 7 of the "Board Performance Evaluation Measures" as revised by the Company on October 29, 2021.

IV. Enhancements to the functionality of the Board of Directors in the current and the most recent year (e.g. establishment of an Audit Committee, improvement of information transparency etc.), and the progress of such enhancements:

(I) The objective to improve the functions of the Board of Directors:
The Company has set up an audit committee and informed all directors and supervisors of the proposal details before the board meeting to ensure implementation. The opinions of all directors were fully taken into account when discussing the proposal and the minutes were sent to all directors and supervisors within five days from the meeting, representing effective and good functionality.

(II) Evaluation of functionality of the Board of Directors:
In accordance with the "Board Performance Evaluation Measures" adopted as revised at the board meeting on October 29, 2021, the overall functionality of the board, and the performance of individual directors and of the functional committees shall be evaluated and the evaluation shall be completed by the end of the first quarter of the following year. The Company's board performance evaluation in 2021 provided good results which were submitted to the Board of Directors and disclosed on the Company's website on March 25, 2022.

Note 1: Where the director or supervisor is an institution, the name of the institutional shareholder and the name of its representative shall be disclosed.

Note 2:

(1) Where directors or supervisors resign before the end of the year, the Notes column shall be annotated with the date of resignation. Actual attendance rate (%) shall be calculated using the number of board meetings convened and actual presence during the term of service.

(2) If any director or supervisor was re-elected before the end of the year, the incoming and former directors and supervisors shall be both listed in the table. In addition, please specify in the Remark column the re-election date and whether the director or supervisor are re-elected, newly elected, or Directors or Supervisors who won a by-election. Actual attendance rate (%) shall be calculated using the number of Board meetings convened and actual attendance during the term of office.

(II) Audit Committee

A total of 6 meetings (A) of the audit committee were held in the most recent year. The attendance of independent directors was as follows:

Title	Name (Note 1)	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) [B/A] (Note 2)	Remarks
Independent Director	Hung-Chin Huang	6	0	100.00%	
Independent Director	Shen-Yu Kung	4	2	66.66%	
Independent Director	Kuo-Feng Lin	6	0	100.00%	

Other mentionable items:

I. The Company's Audit Committee is set up to assist the Board of Directors in fulfilling its supervision of the quality and integrity of the Company in the execution of accounting, auditing, financial reporting procedures and financial controls. The Audit Committee mainly considers the following items:

1. Financial Statements.
2. Audit and accounting policies and procedures.
3. Internal control systems and related policies and procedures.
4. Material transactions in assets or derivatives.
5. Material loaning of funds, and endorsements/guarantees.

6. Placement or issuance of securities.
7. Derivatives and cash investments.
8. Legal compliance.
9. Related-party transactions and potential conflicts of interests involving managers and directors.
10. Complaint report.
11. Fraud prevention and investigation report.
12. Information security.
13. Corporate risk management.
14. Evaluation of the qualifications, independence, and performance of the CPAs.
15. Appointment, discharge or remuneration of CPAs.
16. Appointment or discharge of a finance manager, accounting manager or chief internal auditor.
17. Performance Self-evaluation Questionnaire of the Audit Committee, etc.

If any of the following applies to the operations of the Audit Committee, the date and session of the Audit Committee's Meeting, the content of the motion, the content of the objections, reservations or material recommendations of the independent directors, as well as the resolutions of the Audit Committee and the Company's actions in response to the opinions of the Audit Committee shall be stated.

(I) All conditions listed in Article 14-5 of the Securities and Exchange Act.

(II) Aside from said circumstances, resolution(s) not adopted by the Audit Committee but receiving the consent of two-thirds of the Board of Directors: No such event was experienced through the year in functionality of the Audit Committee, so no disclosure is to be made.

Date and session of Audit Committee	Content of motion	Independent directors' objection, reservation or material recommendation	Resolution of the Audit Committee	Company's response to the Audit Committees' opinions:
The 11th meeting of the 1st term 2021.03.26	1. It was proposed to draft the Company's "Statement on the Internal Control System" of 2020. 2. It was proposed to prepare the Company's operation report and financial statements of 2020. 3. It was proposed to develop the Company's "Earnings Distribution Plan" of 2020. 4. In order to expand its business and improve its financial structure, the Company intended to allocate the dividend of NT$503,791,000 from the distributable earnings of 2020 to increase its capital and issue 50,379,100 ordinary shares. 5. The Company intended to sign a joint construction contract with Dong An Asset Development and Management Co. Ltd. 6. It was proposed to formulate the Company's Ethical Corporate Management Procedures and Behavior Guidelines. 7. It was proposed to amend the Company's Articles of Incorporation, and some articles of the Rules of Procedure for Shareholders Meetings.	None	All the committee members present unanimously approved the proposal.	All the directors present unanimously approved the proposal.
The 12th meeting of the 1st term 2021.05.06	Report on the Company's financial statements for the first quarter of 2021.	None	All the committee members present unanimously approved the proposal.	All the directors present unanimously approved the proposal.
The 13th meeting of the 1st term 2021.08.06	1. Report on the Company's financial statements for the second quarter of 2021. 2. It was proposed that the Company shall enter into an investment contract with the Taichung City Government for the land development project of the Sihwei Elementary School Station of the Wuri-Wenxin-Beitun Line of the Taichung Mass Rapid Transit.	None	All the committee members present unanimously approved the proposal.	All the directors present unanimously approved the proposal.

	3. It was proposed that the Company shall enter into a contract with the New Taipei City Government for the implementation of an Urban Renovation project for the public and private land adjacent to Lot 472, Fuzhong Section, Banqiao District, New Taipei City.			
The 14th meeting of the 1st term 2021.10.29	1. Report on the Company's financial statements for the third quarter of 2021. 2. Amendments to the system manual and some procedures of the Company's internal control systems. 3. The " Regulations for Reporting Violations of Honest Management" have been added. 4. It is proposed that the Company and Taiwan Power Company, Ltd. enter into a "Contract for the Implementation of the Urban Renovation Project of the Special Commercial Area (X) Land at the Nangang Former Site (AR-1-2) of the Northern Warehousing Center of Taiwan Power Company".	None	All the committee members present unanimously approved the proposal.	All the directors present unanimously approved the proposal.
The 15th meeting of the 1st term 2021.12.27	1. It was proposed to draft the Company's 2022 Annual Audit Plan. 2. Evaluated the independence and suitability of CPAs appointed by the Company. 3. It was proposed to add "Donation Management Measures". 4. It was proposed to appoint Kedge Construction Co., Ltd. to construct "New Taipei Circular Line Xiulang Bridge Station (Y8) Land Development Project", a new project of the Company. 5. It was proposed to appoint Kedge Construction Co., Ltd. to construct "Minquan E Rd Urban Renovation Project", a new project of the Company.	None	All the committee members present unanimously approved the proposal.	All the directors present unanimously approved the proposal.
The 16th meeting of the 1st term 111.03.25	1. It was proposed to draft the Company's "Statement on the Internal Control System" of 2021. 2. It was proposed to prepare the Company's operation report and financial statements of 2021. 3. It was proposed to develop the Company's "Earnings Distribution Plan" of 2021. 4. It was proposed to appoint Kedge Construction Co., Ltd. to construct "The Residential Building at Songchang Section in Taichung's Beitun District Project", a new project of the Company. 5. It was proposed to appoint Kedge Construction Co., Ltd. to construct "Taiwan's Sihwei Elementary School Station MRT Co-construction Office Building Project", a new project of the Company. 6. Amendment to some articles of the Company's "Procedures for acquisition or disposal of assets" and "Code of Best Practice for Corporate Social Responsibility". 7. It was proposed to amend the Company's Articles of Incorporation. 8. It was proposed to amend some provisions of the Company's "Code of Corporate Governance Practices" and "Standard Operating Procedures for Handling Directors' Requests". 9. In accordance with the internal rotation of KPMG Taiwan, since the first quarter of 2022, it is proposed to engage I-Lien, Han and Kuo-Yang, Tseng as contracted CPAs for financial statements of the Company. 10. Evaluated the independence and suitability of CPAs appointed by the Company.	None	All the committee members present unanimously approved the proposal.	All the directors present unanimously approved the proposal.

II. Where an independent director recuses himself or herself from a proposal in which he/she has a personal interest, the name of the independent director, the content of proposal, the reason for recusal and the results of the voting shall be stated: None.

III. Communications between the independent directors, the Company's chief internal auditor and CPAs (shall include the material items, methods and results of audits of corporate finance or operations, etc.).

(I) The Company's chief auditor delivers the audit report (including the follow-up audit items) to all independent directors for inspection and communication on a regular basis in the following month, and attends the Audit

Committee to discuss the audit proposal. (II) The CPAs shall report the Company's financial position and audit results to the independent directors at least on the yearly basis, and communicate with them on major adjustments, amendments by law and suggestions on internal control.

Note:

(1) Where a specific independent director may be relieved from duties before the end of the fiscal year, specify the date of discharge in the "Remark" section. Actual attendance rate (%) was calculated based on the number of board meetings held during each director's term and the number of meetings actually attended by that director.

(2) If an independent director is elected before the end of the year, incoming and outgoing independent directors shall be listed accordingly, and the Remark column shall indicate whether the status of an independent director is "outgoing", "incoming" or "re-elected", and the date of election. Actual attendance rate (%) was calculated on the basis of the number of meetings held by the audit committee during each independent director's term and the number of meetings actually attended by that independent director.

(III) Implementation of Corporate Governance, and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof:

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”?	✓		The Company and our subsidiaries (hereinafter referred to as "the Consolidated Company") have established the Code of Best Practice for Corporate Governance based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”. The information has been disclosed and published in the Market Observation Post System (MOPS) and on the Company’s website.	No difference
II. Shareholding structure & shareholders’ rights (I) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (II) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (III) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (IV) Does the company establish internal rules against insiders trading of securities with undisclosed information?	✓ ✓ ✓ ✓		(I) The Consolidated Company has dedicated personnel from the accounting section of the Department of Finance to handle all stock affairs. The spokesman receives suggestions, doubts and disputes of shareholders and involves no litigation with shareholders. (II) The Consolidated Company maintains close ties with its major shareholders and keeps track of the shareholding status of and the ultimate controllers of the major shareholders through the register of shareholders provided by the stock affairs agency. (III) The Consolidated Company has developed "Operating Procedures for Loan of Funds to Others", "Endorsement and Guarantee Operating Procedures", "Handling Procedures for Acquiring or Disposing Real Estate, Equipment or Assets with Right to Use" and "Procedures for Supervision and Management of Subsidiaries" and other procedures, establishing a control mechanism and firewall between itself and the related enterprises. (IV) In its internal major information processing procedures and the "Code of Best Practice for	No difference No difference No difference No difference

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			Corporate Governance", the Consolidated Company clearly stipulates that insiders are prohibited from buying and selling securities with unpublished information on the market. It also provides insiders with education and publicity information on relevant laws and regulations and restates the Code from time to time in accordance with the regulations.	
III. Composition and Responsibilities of the Board of Directors (I) Does the Board develop a diversified policy, specific management objectives and implement them with respect to the composition of the Board? (II) Is the Company, in addition to establishing the Remuneration Committee and audit committee, pursuant to laws, willing to voluntarily establish any other functional committees? (III) Has the Company established a set of policies and assessment tools for evaluating board performance, and conducted performance evaluation on a yearly basis? Are performance evaluation results reported to the Board of Directors and used as reference for compensation, remuneration and nomination decisions? (IV) Does the Company conduct regular assessments regarding the independence of its financial statement auditors?			(I) Article 20 of the "Code of Best Practice for Corporate Governance" of the Consolidated Company stipulates that the composition of the Board of Directors shall consider diversity. The current Board of Directors of the company consists of 9 directors, including 6 directors and 3 independent directors. The members have rich experience and expertise in the fields of finance, commerce and management. In addition, the Company also focuses on gender equality in the composition of the Board of Directors, the targeted ratio of female Directors is more than 25%, currently there are 9 directors, including 3 female director, hitting the target. (II) In addition to the Remuneration Committee and the Audit Committee as stipulated in the law, the Consolidated Company has also established the Sustainable Development Committee under the Board of Directors, whose terms of reference are to set corporate social responsibility, sustainable development direction and goals, and to formulate relevant management policies and specific promotion plans as well as to track the implementation and effectiveness of sustainable development. (III) The Consolidated Company has decided on the 12th meeting of the 11th Board of Directors on March 26, 2018 to set out the performance evaluation method for the Board of Directors. On the 19th meeting of the 12th Board of Directors on October 29, 2021, it was revised in accordance with the latest resolution. Its evaluation indicators were revised in accordance with the laws and actual operation requirements. The evaluation shall be carried out every year according to the latest resolution and shall be completed before the end of the first quarter of the following year for the overall operation of the Board of Directors, the performance of individual directors and the performance of functional committees. The 2021 annual performance evaluation of the Board of Directors has been reported on the 21st meeting of the 12th Board of Directors on March 25, 2022 and disclosed on the Company's website. The operation of the Board of Directors of the merged company is in good condition. Please refer to Note 1 for details of the relevant evaluation results.	No difference No difference No difference No difference No difference

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			(IV) In order to implement corporate governance and evaluate the independence and competency of certified public accountants, the accounting section of the Department of Finance regularly evaluates the independence and competency of certified public accountants every year and makes written records. After the end of each year, the evaluation results are summarized and submitted to the audit Committee and the Board of Directors after being approved by the competent authority. The Consolidated Company submitted at the 16th meeting of the 1st Audit Committee on March 25, 2022 and at the 21st meeting of the 12th Board of Directors on March 25, 2022 an assessment report on the independence and competency of the CPAs. With the consents of all the members and directors attended, CPAs I-Lien, Han and Kuo-Yang, Tseng from KPMG Taiwan were re-appointed as the CPAs for 2022 of the merged company. Please refer to Note 2 for the evaluation results of their independence and competency.	
IV. Has the TWSE/TPEx listed Company allocated adequate number of competent corporate governance staff and appointed a Chief Corporate Governance Officer to oversee corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assisting directors/supervisors with compliance issues, convention of board meetings and shareholder meetings, and preparation of board/shareholder meeting minutes)?	✓		The accounting section of the Department of Finance of the merged company is responsible for the corporate governance related matters including: providing information required for Director/Independent Director's operations, convening board/shareholder's meetings in compliance with the law, producing meeting minutes of board/shareholder's meetings, and disclosing relevant information on corporate governance, stakeholders and corporate social responsibility on the Company websites. As adopted by resolution at the 5th meeting of the 4th Remuneration Committee on December 22, 2020 and the 12th meeting of the 12th Board of Directors on December 30, 2020, Assistant Manager Li-Ya, Chen, Director of Finance and Accounting of Kedge Construction Co., Ltd., was appointed as the Chief Corporate Governance Officer of the Company to protect shareholders' rights and interests and strengthen the functions of the Board of Directors. The annual implementation focus of corporate governance-related business and the training of Chief Corporate Governance Officer are disclosed on the Company's website, please refer to https://www.kindom.com.tw/investor/%E5%85%AC%E5%8F%B8%E6%B2%BB%E7%90%86%E4%B8%BB%E7%%AE% A1/.	No difference
V. Has Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers,	✓		The Consolidated Company has a spokesman and a shareholder service agency to communicate with the stakeholders. In addition, "Corporate Social Responsibility Section" and "Investors and Stakeholders Section" are set up on the company's website to disclose the implementation of corporate social responsibility and give appropriate responses to important and relevant issues of concern to stakeholders.	No difference

Evaluation Item	Implementation status: Yes	No	Summary	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
etc.)?				
VI. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Consolidated Company has appointed the agency department o Chinatrust Commercial Bank as the shareholder service agency to assist in handling all relevant affairs of the board of shareholders.	No difference
VII. Information disclosure (I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (III) Does the company publish and make official filing of annual financial reports within two months after the end of an accounting period, and publish/file Q1, Q2, and Q3 financial reports plus monthly business performance before the specified due dates? ☐	✓ ✓ ✓		(I) The Company has built a website in accordance with the applicable laws and regulations to disclose information regarding the Company's financials, business and corporate governance status, updates and maintains it on a regular basis for the reference of all audiences. (II) In addition to having a person in charge of collecting and disclosing company information in the accounting section of the Department of Finance, the Consolidated Company has also designated its business and finance directors to act as spokesmen and deputy spokesmen respectively to implement the spokesmen system and to make immediate statements to the public. It also holds "Corporate Briefing" from time to time every year to achieve transparency of company information, and also discloses information about the corporate briefing in MOPS in accordance with the regulations of the stock exchange. (III) The Consolidated Company's annual financial report, the financial reports for the Q1, Q2 and Q3, and monthly operation reports are all announced and reported within the prescribed time limit.	No difference No difference No difference
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		Employee Rights and Interests and Employee Care: Please refer to the Labor Relations under "Chapter 5 Operational Highlights" of this Annual Report. Investor Relations: The Consolidated Company has an Investor Section on its website to fully disclose information and update it regularly for investors' reference. Supplier Relationship: On March 26, 2021, the 11th meeting of the 1st Audit Committee and the 13th meeting of the 12th Board of Directors of the merged Company adopted the Ethical Corporate Management Procedures and Behavior Guidelines, to implement the ethical corporate management policy, actively guard against unethical practices, conduct transactions with suppliers in a fair and transparent manner, and ensure the performance of the contracts entered into. Continuing education of Directors and Supervisors: The merged company has regularly disclosed the information on continuing education of Directors and Supervisors and their attendance on the Board of Directors meetings on the Market Observation Post System. Implementation of risk management policy and risk measurement standard: Please refer to "Chapter 7 Review and Analysis of Financial Position and Operating Results, and Risk Management" of this Annual Report.	No difference

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			Implementation of customer policy: The Consolidated Company has a customer service department to serve customers, and a dedicated person will handle customer complaints to maintain long-term stable and good relations with customers. The Company takes out liability insurance for its Directors and Supervisors: The merged company has taken out the liability insurance for its Directors and Managers on June 10, 2020, and has reported the insured amount, coverage, premium rate, and other major contents of the liability insurance at the 9th meeting of the 12th Board of Directors on July 23, 2021. Link between performance evaluation and remuneration of directors and managers: The Company shall, in accordance with the Articles of Incorporation, set aside an annual profit not exceeding 2% for the remuneration of the directors, and authorize the Board of Directors to provide the remuneration of the directors according to the degree of participation in the operation of the Company and the value of their contribution, with reference to the industry standards. The remuneration to the Company's managers shall be verified by the chairman in accordance with the table of remuneration ranges, the calculation methods of business performance-based bonus and assessment methods, including financial indicators (such as the Company's revenue, the achievement rate of net profit before tax and net profit after tax) and non-financial indicators (such as significant failure of compliance and operational risk issues within the department), and submitted to the Remuneration Committee and Board of Directors for review. In the future, the rationality of the remuneration system will be reviewed in a timely manner based the actual operations and the salaries paid by peers, so as to strike a balance between the Company's sustainable operation and risk control.	

IX. Please provide information on the status of improvement regarding the results of Corporate Governance evaluation published by the TWSE Corporate Governance Center in the most recent year. For improvements that are yet to be implemented, state the areas and policies the Company has set as priority for improvement:

No.	Item	Improved or not	Description
2.21	Does the Company set a Chief Corporate Governance Officer to be responsible for corporate governance related matters, and state his/her terms of reference, business implementation priorities for the current year, and continuing education on the Company's website and annual report?	Yes	It has been adopted to a Chief Corporate Governance Officer of the Company by resolution at the 12 meeti the 12th Board of Directors on December 30, 2020, a his/her terms of reference, business implementation priorities for the current year, and continuing educati stated on the Company's website and annual report.
2.22	Does the Company formulate risk management policies and procedures approved by the Board, which disclose the scope, the organizational structure, and the operations of risk management?	No	The Company plans to formulate and establish risk management policies and procedures, which will be submitted to the Board for approval and disclosed on Company's website.
2.24	Has the company established information security risk management structure, information security	Yes	The Company has set up an information security risk management framework and policy, which was subm

Evaluation Item		Implementation status: Yes	Implementation status: No	Implementation status: Summary	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	policy and specific management measures, and disclosed it on company website or annual report?			the Board for approval and disclosed on the Company's website.	
3.2	Has the Company announced major news and information in English simultaneously?	Yes		It was implemented by the Company in 2021.	
4.11	Does the company disclose the amount of greenhouse gas emissions, water consumption and total weight of waste in the past two years?		No	It is expected to be disclosed by the Company in 2022.	
4.12	Does the company formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?		No	It is expected to be formulated by the Company in 2022.	
4.14	Does the company website or annual report disclose the identity of the identified stakeholders, their concerns, communication channels and responses?		No	It is expected to be disclosed by the Company in 2022.	
4.16	Has the Company established and disclosed a reporting system for the internal and external employees of the Company to report illegal (including corruption) and unethical acts?	Yes		It was implemented by the Company in 2021.	

Note 1: Please refer to the following table for the performance evaluation results of the Board of Directors and functional committees in 2021.

I. Overall Performance Evaluation Results of the Board of Directors:

Aspect	Number of questions	Results (5 points out of 5)
Degree of participation in the Company's operations	12	4.08
Improvement in the quality of decision-making of the Board of Directors	12	4.83
Composition and structure of the Board of Directors	7	4.43
Election and continuous education of Directors	7	4.14
Internal control	7	4.71
Total/average score	45	4.44

II. Results of Directors' Self-evaluation:

Aspect	Number of questions	Results (5 points out of 5)
Control over the Company's Goals and Tasks	3	4.89
Understanding of Directors' Duties	3	4.93
Degree of participation in the Company's operations	8	4.86
Internal Relationship Management and Communication	3	4.89
Directors' Professional Skills and Continuing Education	3	4.85
Internal control	3	4.93
Total/average score	23	4.88

III. Results of Performance Self-evaluation of Compensation Committee:

Aspect	Number of questions	Results (5 points out of 5)
Degree of participation in the Company's operations	4	5.00
Understanding of the responsibilities of a functional committee	5	5.00
Improvement in the quality of decision making by the functional committee.	7	5.00
The composition of the functional committee, and election and appointment of committee members.	3	5.00
Total/average score	19	5.00

IV. Results of the Audit Committee's Self-evaluation of Performance:

Aspect	Number of questions	Results (5 points out of 5)
Degree of participation in the Company's operations	4	5.00
Understanding of the responsibilities of a functional committee	5	5.00
Improvement in the quality of decision making by the functional committee.	7	5.00
The composition of the functional committee, and election and appointment of committee members.	3	5.00
Internal control	3	5.00
Total/average score	22	5.00

Note 2: Please refer to the following table for the independence and suitability evaluation results of CPAs in 2022.

Item No.	Evaluation Item	Results	Are they independent/competent?
1	Does the CPA have a close business relationship and potential employment relationship with the company or related enterprises?	No	Yes
2	Does the CPA hold or broker shares or other securities issued by the Company or affiliated enterprises?	No	Yes
3	Does the CPA act as the defender or representative of the Company or related companies to resolve conflicts with other third parties?	No	Yes
4	Is the CPA a family member or relative of the Company's director, managerial officer or person holding another position that has significant influence on the audit?	No	Yes
5	Is the former CPA of the Company from the same firm of the current CPA, within a year after stepping down, not serving as the Company's director, manager or any position with significant impact on audit results?	No	Yes
6	Has the CPA provided audit services for the Company for 7 consecutive years?	No	Yes
7	Has the CPA complied with the Statements of the Code of Professional Ethics No.10 on independence?	Yes	Yes
8	Does the CPA and audit service team make appropriate suggestions and keep records on the company's management system and internal control system?	Yes	Yes
9	Does the CPA and audit service team take the initiative to provide the company with updated laws, revised information and courses?	Yes	Yes

(IV) Composition, Responsibilities and Functionality of the Remuneration Committee

1. Information and Qualifications of the Remuneration Committee Members:

Identity (Note 1)	Qualification / Name	Meets one of the following professional qualifications, with at least five years of work experience: An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	Meets one of the following professional qualifications, with at least five years of work experience: Currently serving as a judge, prosecutor, lawyer, accountant, or other professional practice or technician that must undergo national examinations and specialized license	Meets one of the following professional qualifications, with at least five years of work experience: With work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	Independence Criteria (Note 2): 1	2	3	4	5	6	7	8	9	10	Number of other public companies where the individual concurrently serves as a remuneration committee member	Remarks
Independent Director	Hung-Chin Huang	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	(Note 3)
Independent Director	Kuo-Feng Lin	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	(Note 3)
Others	Tung-Hsuan Wan	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	(Note 3)

Note 1: For the title column, please fill in Director, Independent Directors, or others.

Note 2: "✓" is marked in the space beneath a condition number when a member has met that condition during the two years prior to election and during his or her period of service. The conditions are as follows:

(1) Not an employee of the Company or any of its affiliates.

(2) Not a director or supervisor of Aurora or any of its affiliates (except for independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, Aurora and its parent or subsidiary or a subsidiary of the same parent).

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.

(5) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the total number of issued shares of Aurora, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of Aurora under Paragraph 1 or 2, Article 27 of the Company Act (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, Aurora and its parent or subsidiary or a subsidiary of the same parent).

(6) Not a director, supervisor or employee of a company controlled by the same person who has shares over half of Aurora's director seats or voting rights (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, Aurora and its parent or subsidiary or a subsidiary of the same parent).

(7) Not a director, supervisor, or employee of another company or institution who, or whose spouse, is a Chairman, General Manager, or person holding an equivalent position of Aurora (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, Aurora and its parent or subsidiary or a subsidiary of the same parent).

(8) Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with Aurora (except for a specific company or institution holding more than 20% but less than 50% of the total issued shares of Aurora and concurrently serving as an independent director, as appointed in accordance with the Act or the laws and regulations of the local country, at Aurora and its parent or subsidiary or a subsidiary of the same parent).

(9) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for Aurora or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT$500,000 in the past two years. However, members of the committee on remuneration or public acquisition review, or the special committee on merger and acquisition who perform their functions and powers in accordance with the provisions of the Securities and Exchange Act or Business Mergers and Acquisitions Act and other relevant regulations shall not be subject to this provision.

(10) Not under any of the categories stated in Article 30 of the Company Act.

Note 3: According to Article 4 of the organizational rules for the Remuneration Committee of the Consolidated Company, the terms of reference of the Remuneration Committee members are as follows:

(1) Establish and regularly review the annual and long-term performance objectives, performance evaluation and compensation policies, systems, standards, and structures applicable to directors and managers.

(2) Regularly assess and determine the achievement of the performance goals of directors and managers, and determine the content and amount of their individual remuneration based on the assessment results obtained from the performance assessment standards.

The performance evaluation method, remuneration brackets, sales performance bonus payment method of the Board of Directors of the Consolidated Company have been reviewed and approved by the salary compensation Committee and the Board of Directors.

2. Information concerning functionality of the Remuneration Committee:

(1) The Company's Remuneration Committee consists of 3 members.

(2) Term of these committee members: From Jun 10, 2019 to the date of reelecting directors and supervisors in 2022. The Remuneration Committee held 4 (A) meetings in the most recent year; members' attendance records are as follows:

Title	Name	Attendance in person (B)	Attendance by Proxy	Actual attendance rate (%) [B/A] (Note)	Remarks
Convener	Hung-Chin Huang	4	0	100.00%	
Member	Kuo-Feng Lin	4	0	100.00%	
Member	Tung-Hsuan Wan	4	0	100.00%	

Other mentionable items:

I. If the Board of Directors does not adopt or amend the Remuneration Committee’s suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the company’s handling of the remuneration committee’s opinions (if the remuneration approved by the Board of Directors is superior than that suggested by the remuneration committee, please specify the deviation and reason): None.

II. If a member has a dissenting or qualified opinion, if a member has a dissenting or qualified opinion, that a member has a record or reservation that is recorded or stated in a written statement, the date and session of the Remuneration Committee, the content of the proposal, all members' opinions, and the handling of the opinions of the member of the Remuneration Committee shall be stated: None.

III. Implementation:

Remuneration Committee	Content of motion and follow-up actions	Resolution	The Company's response to opinions of the Remuneration Committee:
The 7th meeting of the 4th term 2021.08.05	1. Proposal on the organizational adjustment of the Company. 2. Amendment to the Company's Sales Performance Bonus Payment Method.	All the committee members present unanimously approved the proposal.	Submitted to the Board of Directors and Adopted by all directors present.
The 8th meeting of the 4th term 2021.10.28	1. Proposal of appointment of managers and project managers of the Board of Directors' Office. 2. Amendment to the " Performance Evaluation Method of the Board of Directors".	All the committee members present unanimously approved the proposal.	Submitted to the Board of Directors and Adopted by all directors present.
The 9th meeting of the 4th term 2021.12.24	1. Proposal of the annual employee compensation budget for the Company's managers. 2. Proposal of the food allowance adjustment for 15 people above the assistant manager level (inclusive). 3. Proposal of the Company's promotion and salary adjustment for managers in 2021.	All the committee members present unanimously approved the proposal.	Submitted to the Board of Directors and Adopted by all directors present.
The 10th meeting of the 4th term 2022.03.24	1. Proposal on the organizational adjustment of the Company. 2. Proposal of the Company's promotion and salary adjustment for managers in 2022. 3. Proposal of 2021 to fund and distribute compensation to employees and directors 4. Amendment to the "Land Development Project Performance Bonus Method" and "Business Sales Performance Bonus Method".	All the committee members present unanimously approved the proposal.	Submitted to the Board of Directors and Adopted by all directors present.

Note:

(1) Where members of the Remuneration Committee resign before the end of the year, the Notes column shall be annotated with the date of resignation. Actual attendance rate (%) shall be calculated using the number of Remuneration Committee meetings convened and attendance in person during the term of service.

(2) If any member was re-elected before the end of the year, incoming and outgoing members shall be listed accordingly, and the Remark column shall indicate whether the member's status is "Outgoing", "Incoming" or "Re-elected", and the date of re-election. For the remuneration to employees, a salary structure for employers is designed according to the evaluation of their functions and positions. There are various performance bonus methods and "promotion and salary adjustment management measures". The annual

(V) Implementation of Social Responsibilities and Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and the Reasons Thereof

Evaluation Item	Implementation status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof
	Yes	No	Summary	
I. Does the Company conduct risk assessment of environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		The Administrative Management Office and the Business Office of the Consolidated Company are responsible for formulating and implementing corporate social responsibility policies, regularly identifying stakeholders, collecting and examining issues of concern to stakeholders, ensuring that all major considerations are covered, reporting the implementation results to the chairman of the Board of Directors from time to time, identifying and examining the performance on environmental, social and corporate governance issues, and proposing strategic plans and taking measures based on performance evaluation. The Company's corporate social responsibility implementation results and detailed contents are disclosed in the company's annual corporate social responsibility report and on the Company's website.	Compliant
II. Does the Company establish an exclusively (or part-time) dedicated unit for promoting Corporate Social Responsibility? Is the unit authorized by the Board of Directors to implement CSR activities at the executive level? Does the unit report the progress of such activities to the Board of Directors?	✓		The Administrative Management Office of the Consolidated Company is responsible for promoting measures such as employee working environment and personal safety protection. The Business Office is responsible for the implementation of environmental protection, social welfare, consumer rights and other corporate social responsibility activities, and make non-periodical reports the implementation of various activities to the chairman of the Board.	Compliant
III. Environment issues				
(I) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		(I) The Consolidated Company is not a manufacturing company, verification by environmental management systems such as ISO14001 is not applicable. However, it is committed to promoting garbage classification and recycling of advertising and display products to reduce the amount of garbage. It also requires that the management of projects under construction be improved to reduce noise and air pollution, and greening operations be followed in the work area.	Compliant
(II) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		(II) The Consolidated Company has actively invested in green building design, used environmental-friendly building materials in individual projects, take rainwater recovery and water conservation measures in the base, and promoted e-filing operations, made full use of recycled paper and replaced power-consuming lamps to improve the efficiency of various	Compliant

Evaluation Item	Implementation status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof
	Yes	No	Summary	
			resources.	
(III) Does the company evaluate the potential risks and opportunities caused by climate change to the Company now and in the future, as well as taking corresponding measures to issues regarding the climate?	✓		(III) The Consolidated Company pays close attention to the impact of global climate change on its operations. It includes climate change in major environmental issues for risk and opportunity assessment. In implementing the project plan, it takes into account the buffer time and the improvement of flood control standards to avoid disasters or delays caused by climate change.	Compliant
(IV) Does the company add up the amount of greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	✓		(IV) The Consolidated Company has made statistics on water and electricity consumption and total waste weight for more than two years, which are disclosed in the corporate social responsibility report. It has developed energy conservation plans and related management measures to reduce daily energy consumption, and regularly announce photocopy paper and water and electricity consumption to promote the concept of energy conservation; advocated public transportation to reduce greenhouse gas emissions; implemented garbage classification and reduced the use of disposable products; implemented energy-saving measures such as reducing power consumption and lighting in public spaces and timely adjusting air conditioners, promoted the concept of energy saving and carbon reduction in the organization and various activities, and regularly announced to remind colleagues to form the habit of energy saving, so as to achieve the goals of energy conservation, carbon reduction and greenhouse gas reduction.	Compliant
IV. Social issues (I) Has the company developed appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(I) The Consolidated Company abides by various labor laws and international human rights principles, purchases labor insurance, health care insurance and group accident insurance for all employees, and provides pension to ensure the protection of their rights and interests, respects and treats employees fairly. In order to ensure that their daily operations conform to corporate ethics, the Consolidated Company has formulated such basic codes of conduct as "Code of Ethical Conducts" and "Code of Corporate Social Responsibility Best Practice".	Compliant
(II) Does the Company establish and implement reasonable employee benefits measures (including remuneration,	✓		(II) The Consolidated Company attaches great importance to employee benefits, employs professional consultants to analyze and investigate the market salary, welfare status and employment environment, formulates a	Compliant

Evaluation Item	Implementation status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof
	Yes	No	Summary	
leave and other benefits) and appropriately reflect the corporate business performance or achievements in the employee remuneration?			reasonable employee salary and reward policy and sets up a Remuneration Committee to regularly review the performance and salary and reward standards of directors and managers, and allocates any profits in the year stipulated in the Articles of Incorporation.	
(III) Does the company provide a healthy and safe work environment, and does it organize health and safety training for its employees on a regular basis?	✓		For the remuneration to employees, a salary structure for employers is designed according to the evaluation of their functions and positions. There are various performance bonus methods and "promotion and salary adjustment management measures". The annual performance bonus combines with key performance indicators to include the department's performance and achievement of objectives in the evaluation items. The evaluation results affect the bonus distribution ratio, grade promotion and salary adjustment range. In addition, it provides a vacation system that complies with laws and regulations, and a favorable employee welfare and insurance system. (III) The Consolidated Company regularly organizes safety and health education and training for its employees, and conducts health examination for employees every year. At the same time, in order to create a friendly workplace environment, it fully decorates the office area of the building, updates relevant equipment, regularly carries out sterilization for the environment, holds fire drill, and sets up facilities such as nursing room, massage chair and refreshment table in the tea room, so as to meet the needs of employees in a considerate manner.	Compliant
(IV) Has the company established effective career development and training plans for its employees?	✓		(IV) The Human Resources Department of the Administrative Management Office of the Consolidated Company draws up an annual training plan based on the needs of the Company and its employees, and conducts education and training according to the plan, and promotes online learning platform, so that learning is not limited by time and	Compliant

Evaluation Item	Implementation status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof
	Yes	No	Summary	
			space, enabling the staff to enhance their professional knowledge and ability.	
(V) Has the company complied with relevant laws and regulations and international standards for its products and services respecting customer health and safety, customer privacy, marketing and labeling, and formulated relevant consumer protection policies and grievance procedures?	✓		(V) The Consolidated Company abides by relevant laws and regulations regarding customer health and safety, customer privacy, marketing and labeling of products and services, and regularly reviews the legality. In case of problems such as customer response quality, the Company provides customer service hotline and CRM system management, complete the response within 24 hours in combination with LINE life circle, and provide immediate after-sales service.	Compliant
(VI) Does the company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? And, how well are those policies implemented?	✓		(VI) The Consolidated Company has listed the supplier's credit and social image as key items for selection, and has actively advocated the necessity of keeping up with issues such as environmental protection, occupational safety and health, or labor human rights, and has stated in the contract that suppliers that violate its major corporate social responsibility policies will terminate or rescind the contracts signed with them.	Compliant
V. Does the company, following internationally recognized guidelines, prepare and publish reports such as its Corporate Social Responsibility report to disclose non-financial information of the company? Is this report verified or endorsed by a neutral third party?	✓		The Consolidated Company has compiled a corporate social responsibility report with reference to the Global Reporting Initiative (GRI) Standards, the United Nations Sustainable Development Goals (SDG) and the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies promulgated by the Taiwan Stock Exchange/Taipei Exchange Securities Market. The report has been verified by the British Standards Institute (BSI) and the verification results conform to GRI Standard-Core Options and the AA 1000 International Standard.	Compliant
VI. If the Company has established the corporate social responsibility best practice principles based on the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies", please describe any inconsistence between the Principles and their implementation: The Consolidated Company has developed its corporate social responsibility best practice principles in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies" and its implementation is not significantly different from the Code.				

Evaluation Item	Implementation status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof
	Yes	No	Summary	

VII. Other important information to facilitate better understanding of the company's Corporate Social Responsibility practices:

(I) Environmental protection, safety and health:

The Consolidated Company's control over environmental protection and safety and health is implemented in accordance with laws and regulations. Please refer to "IV. Information of Environment Protection Expenses" under "Chapter 5 Operational Highlights" of this Annual Report.

(II) Public Benefit:

1. The Consolidated Company donated to set up the "Kindom Yu San Education Foundation" in 2014, which aims at organizing various educational activities, cultivating outstanding talents, deepening exchanges between industry and university, encouraging forward-looking thinking, improving reading atmosphere and promoting social progress. In 2021, the Consolidated Company donated a total of NT$15 million to the Foundation for its business promotion. In 2021, the Foundation organized and sponsored several public welfare activities, the details of which are as follows:

Activity	Description	Number of beneficiaries
Project of “Jushinji Reading Life Platform”	Through digital content platform and annual publication, we share with the public various imaginations, pursuits and details of life, no matter the topics of architecture, life, design, humanities and arts.	More than 130,000 visits to the website; 37,196 followers on the fan page
Reading Program of "Celebrity Study"	Through the concept of shared celebrities story book reading, which was broadcast on Universal News, Da Ai TV, Beautiful Life Television, MOMO TV, CTS Education and Culture Channel, Yahoo TV, iQiyi and youtube channel of Celebrity Study, the audiences were inspired to improve reading atmosphere.	3 million views on internet platform
Reading Promotion Program of "Better Life Book Fair"	Regular thematic book exhibitions are held for corporate colleagues to read for free to enrich their learning and growth. The event was originally scheduled to coincide with the theme of each issue, but was cancelled this year due to the epidemic.	Over 200
Cooperation Program of "KINDOM 363 Good Regeneration and New Life"	The Company will plan the winning base as "KINDOM 363" shared space with a limited period of one year. The Foundation will assist in planning the experience activity of "Beautiful Regeneration and New Life", expecting to share good relations with the neighboring cities. This year's Reading Market and Landscape Art Exhibition is intended to bring the public the surprise of encountering art around the corner and interactive fun, as well as to remind visitors to pay attention to environmental conservation issues.	Over 500
Knowledge is Power Charity Program	In memory of Ma Yu Shan, the founder of Kindom, who upholds his belief that "knowledge is power" and carries out the Foundation's core philosophy of "promoting reading and building education". This year, we support the Global Views Educational Foundation's "The Civilization of Life I Aspire to" class reading program. Through reading together on campus, we aim to cultivate "discernment" and	Donated 1,000 books to 18 high school and vocational schools; collected about

Evaluation Item	Implementation status: Yes	Implementation status: No	Implementation status: Summary	Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof
			"clarity of vision" for the young generation, so that they can become a civilized generation with "liberal life". The book collection activities are held in collaboration with SPBook second-hand bookstores, Global Mall New Taipei City Zhonghe Store, Banqiao Store and A19, combining knowledge circulation and charity to spread the seeds of reading.	1,000 second-hand books
"Grass Book House - Sanxia Headquarters" Rural Education Sponsorship			In order to care for the disadvantaged from rural areas and shorten the distance between urban and rural areas, the Company launched the Sponsorship Scheme for "Little Grass Bookstore" to provide academic learning, interest and talent development opportunity and establish a complete community support system for children living in adversity, enabling every child to grow up and achieve dreams in a stable learning environment.	26
"Grass Book House - Daxi Branch" Rural Education Sponsorship			The Daxi Branch of the Grass Book House was established in 2021 to accompany children from urban aboriginal, new aboriginal, economically disadvantaged, single parent, foster parent, and intergenerational families, and to serve as a support for children in the community. This sponsorship proposal is for dedicated funding.	14
Cooperation Plan for the Woodworking Program of Grass Vocational Academy			Development of young people's skills through the Woodworking Program of Grass Vocational Academy. In order to continue the sustainable cooperation between the Academy and the children, the woodworking class of the Academy, under the leadership of the master, made two pieces of community wood carving door signs, Kindom Taiji and Taijing, to give encouragement and open the children's vision to see more possibilities for themselves.	17
"Taiwan Railway Bureau Charity Book Collection" Reading Promotion Sponsorship			Participating in the "A Ticket to Change" charity book collection project of Taiwan Railways, through book donations and campus lectures, to inspire the young generation to work together to build a progressive, civilized and aesthetic society.	Purchase of 100 sets of books (a set of 4 volumes), public welfare gift of 60 related departments of colleges and universities, Kindom Community Library, etc.
"United Supplement 70th Anniversary Exhibition" Reading Promotion Sponsorship			For 70 years, the United Supplement has been a garden of creative freedom, a cradle of new literary stars, and an important driving force in the flourishing of Taiwan's literary arts. This year, we are sponsoring five online lectures, "In Search of Lost Time," in which 15 literary celebrities shared their stories with the magazine.	Number of views 50,000

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<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
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“Book Donation” Sponsorship	In the Foundation, the Celebrity Bookstore, and the Jiuxinzhi fan page, we give away celebrity recommended books and Jiuxinzhi annual magazines to the public, corporate colleagues, and the Kantor Community Library; we set up a mini-library in the KINDOM 363 shared area, and regularly change books every month to promote and encourage the public to develop reading habits.	Donation of 3,408 books

2. The Consolidated Company regularly visits nursery homes and care centers for the elderly, donates to ANDREW Charity Association every year and participates in activities to care for the vulnerable.

(III) Consumer rights and interests:
The Consolidated Company has a customer service department, which will handle customer complaints and provide permanent after-sales service.
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(VI) Implementation of Ethical Corporate Management, and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the Reasons Thereof:

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
I. Establishment of ethical corporate management policies and programs				No difference
(I) Does the company formulate its ethical corporate management policies that have been approved by the Board of Directors? Has the Company declared its ethical corporate management policies and procedures in its guidelines and external documents, and does the Board of Directors and management work proactively to implement their commitment to those management policies?	✓		(I) In order to implement the integrity management policy, the Consolidated Company has formulated the "Code of Best Practice for Corporate Governance", the "Code of Corporate Ethics Management" and the "Ethical Corporate Management Procedures and Behavior Guidelines" approved by the Board of Directors to regulate the standards that the directors and management of the Company should abide by when performing their duties, and actively publicized the code to employees and partners. The Code is also disclosed on the Company website for compliance.	
(II) Does the company establish an assessment mechanism for unethical risks, according to which it analyzes and assesses operating activities with high potential unethical risks? Does the mechanism include any precautionary measures against all the conducts as stated under Paragraph 2, Article 7, of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		(II) The Consolidated Company establishes an effective internal control system. Employees are strictly prohibited from directly or indirectly demanding gifts, kickbacks, entertainment or other improper benefits from the company's customers and manufacturers, and the audit office conducts regular or irregular checks on all departments.	No difference
(III) Has the Company established policies to prevent unethical conduct, with clear statements regarding relevant procedures, conduct guidelines, punishments for violation, and rules for appeal, and does the Company implement them accordingly, and regularly review and correct such measures?	✓		(III) The Consolidated Company has formulated on March 26, 2021 the "Ethical Corporate Management Procedures and Behavior Guidelines", which are applicable to directors, supervisors, managers, employees, nominees and persons with material control capacity of the Company and companies and organizations within the Group, prohibiting unethical conduct, such as offering bribes or receiving bribes, offering illegal political	No difference

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			contributions, offering improper charitable donations or sponsorships, offering or accepting improper gifts, receptions, or other improper advantages, disclosure of the Company's trade secrets, the infringement of intellectual property rights, engaging in acts and services of unfair competition that harms consumers or other stakeholders. In addition to the Staff Working Rules and other personnel policies, which stipulate that employees shall not involve in unethical conduct, the Consolidated Company includes preventive operation procedures in the training courses for new employees or other personnel education and training.	
II. Ethical corporate management (I) Does the Company evaluate the ethical record of its business partners and set ethical conduct policies in the terms and conditions of its contracts with the clients?	✓		(I) When the Consolidated Company selects suppliers, not only is credit investigation conducted, but also the terms of good faith behavior are specified in the declaration statements.	No difference
(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	✓		(II) The Consolidated Company is composed of the Chief Corporate Governance Officer, the Department of Legal Affairs, the Auditing Office and the heads of each operating unit as the Integrity Management Task Force, which is responsible for assisting the Board of Directors and the management in formulating and monitoring the implementation of the Integrity Management Policy and Preventive Plan in accordance with the duties and responsibilities of each unit to ensure the implementation of the Integrity Management Code. The dedicated unit reported its implementation to the Board of Directors on December 27, 2021.	No difference No difference
(III) Does the Company adopt policies for preventing conflicts of interest, provide proper	✓		(III) The Consolidated Company has formulated on March 26, 2021 the "Ethical Corporate Management	

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
statement channels and implement them?			Procedures and Behavior Guidelines". The Audit Office, the Administrative Management Office and the Department of Finance jointly set up the ethical corporate management team, with the Human Resources Department of the Administrative Management Office as the personnel reporting window. The reporting matters will be submitted to the ethical corporate management team for discussion and implementation, and the team will regularly report to the Board of Directors.	
(IV) Does the Company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for drawing up relevant audit plans based on the results of assessment of any unethical conduct risk, examining accordingly the compliance with the prevention programs for unethical conduct, or engaging a certified public accountant to carry out the audit?	✓		(IV) The Consolidated Company has established an accounting system and an internal control system to ensure the effectiveness of the financial reporting process and internal control. The audit office draws up an audit plan based on the risk assessment results, and conducts regular or irregular audits of various business activities to ensure the effective implementation of various systems, and reports the audit results to the audit committee and the Board of Directors.	No difference
(V) Does the Company organize internal or external trainings on ethical corporate management regularly?	✓		(V) The Human Resources Department of the Administrative Management Office of the Consolidated Company regularly organizes relevant education and training courses, and strengthens publicity and guidance in business meetings in order to implement them.	No difference
III. Status of enforcing whistle-blowing systems in the company (I) Has the company established a concrete whistleblowing and rewarding system, and set up accessible methods for whistleblowers, and designate appropriate and dedicated personnel to investigate the accused?	✓		(I) On October 29, 2021, the Board of Directors of the Consolidated Company approved the "Rules for Reporting Breach of Integrity in Management". The Consolidated Company has a complaint and report mailbox and a dedicated line. Human Resources Department of the Administrative	No difference

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
	✓		Management Office is responsible for handling relevant affairs, complaints and punishments according to the Company's prescribed operating procedures, and the immediate top manager of the person to be reported shall act as the person responsible for handling the case.	
(II) Has the company established standard operating procedures for the reported matters, the measures to be taken after investigation is completed, and the relevant confidential mechanism?	✓		(II) After accepting the report, the Human Resource Department of the Administrative Management Office of the Consolidated Company will immediately submit it to the Audit Office or the head of the responsible department for investigation. Both the receiver and the investigator are responsible for keeping confidential the personal information of the whistleblower and related information of such case.	No difference
(III) Does the company take any measures to protect whistleblowers so that they are safe from mishandling?			(III) The Consolidated Company adopts anonymous treatment on the identity of informants, taking non-infringement of their rights and interests as the supreme principle.	No difference
IV. Enhanced disclosure of corporate social responsibility information Does the company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	✓		The Consolidated Company will disclose the contents specified in the code of good faith operation in the CSR section of the company's website, and update the promotion results at any time. Relevant information will also be disclosed at the public information observatory.	No difference
V. Where the Company has stipulated its own Code of Corporate Ethics Management according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any differences between the prescribed best practices and the actual activities taken by the Company: (I) In accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, the Company adopted its Ethical Corporate Management Best Practice Principles at the 25th meeting of the 10th Board of Directors on March 24, 2016, and implemented accordingly. On March 26, 2021, the 11th meeting of the 1st Audit Committee and the 13th meeting of the 12th Board of Directors of the Company adopted the Ethical Corporate Management Procedures and Behavior Guidelines, to implement the ethical corporate management policy and actively guard against unethical practices. There is no significant difference between the Company's Practice Principles and the actual activities. (II) The Company attaches great importance to ethical corporate management, and has organized educational and training courses related to ethical corporate management (such as new employee education and training on corporate culture and ethical management) in 2021, totaling 212.5 hours for 93 persons.				

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">VI. Other important information to facilitate a better understanding of the company's ethical corporate management policies: (e.g. review and amend its policies).
(I) The Consolidated Company abides by the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the relevant regulations on TWSE/TPEx listing, or other relevant laws and regulations on commercial acts as the basic concept for the implementation of honest operation.
(II) The "Rules of Procedure of the Board of Directors" of the Consolidated Company includes a clause on withdrawal of directors' interests, stating that directors may state their opinions and answer inquiries on proposals that have an interest in themselves or their legal representatives and are harmful to the interests of the company, provided that they are not allowed to join and shall withdraw from discussions and voting, and shall not exercise their voting rights on behalf of other directors.
(III) The Consolidated Company has "Internal Material Information Processing Procedures", which stipulates that directors, supervisors, managers and employees shall not disclose the internal material information they know to others, shall not inquire or collect the Company's undisclosed internal material information unrelated to their personal positions from people who know the Company's internal material information, and shall not disclose the company's undisclosed internal material information to others if they do not know the company's undisclosed internal material information due to their business operations.
(IV) The Consolidated Company has a "Code of Corporate Ethics Management" which stipulates that directors, managers, employees, appointees or persons with substantial control shall not directly or indirectly offer, promise, demand or accept any illegal benefits or do other dishonest acts such as breach of good faith, illegality or breach of fiduciary duty in the course of engaging in business related to the company in order to obtain or maintain benefits.</td></tr>
</table>

(VII) Whether the company has formulated a corporate governance code and relevant regulations:

The Consolidated Company has formulated a "Code of Best Practice for Corporate Governance" and has disclosed it to the public information observatory and the investor and stakeholder section of the company's website for shareholders to inquire about.

(VIII) Other important information sufficient to enhance understanding of corporate governance operations: None.

(IX) Implementation of the internal control system:

1. Statement of internal control:

Kindom Development Co., Ltd.
Statement on the internal control system

Date: March 25, 2022

According to the self-evaluation results of internal control system by the Company in 2021, we hereby states as follows:

I. The Company fully understands that the establishment, implementation, and maintenance of Internal Control System (ICS) are the responsibilities of the Company’s Board of Directors and managerial officers, and have established the said system accordingly The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.

II. All ICSs are bound by natural limitations and regardless of the robustness of designs, effective ICS can only provide reasonable assurance for the three objectives listed above. Efficacy of the ICSs will also change with the changing environment or context. However, the internal control system of the Company has self-monitoring mechanisms in place, and the Company will take corrective action against any defects identified.

III. The Company will refer to the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as “ICS Regulations”) to identify assessment items for determining the effectiveness of ICS as well as the performance of design and implementation of the system. Based on the process of control, the assessment items specified in the ICS Regulations divide the internal control system into five constituent elements: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communications; and 5. monitoring activities. Each constituent element includes a certain number of items. For more information on such items, refer to the ICS Regulations.

IV. The Company has used the above internal control system to judge the items and evaluate the effectiveness of the design and implementation of the internal control system.

V. The evaluation results indicated that the Company's internal control system (including supervision and management of subsidiaries) dated December 31, 2021 has effectively assured that the following objectives have been reasonably achieved during the assessing period: (a) The effectiveness and efficiency of business operation; (b) The reliability of the financial and related reports; (c) The compliance with relevant laws/regulations and company policies.

VI. This Statement shall be a major content of the Company’s annual report and prospectus, and shall be publicly disclosed. Any falsehood or concealment with regard to the above contents will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. The Company hereby declares that this statement had been approved by the Board of Directors on March 25, 2022. Among the 9 attending Directors, no one raised any objection and all consented to the content expressed in this statement.

Kindom Development Co., Ltd.

Chairman: Mike Ma Signature

General Manager: Ching-Chin Hung Signature

2. Appointed dedicated CPAs to audit the internal control system: None.

(X) Any legal penalty levied on the Company and its personnel, or any penalty, major defects, and state of improvements enacted by the Company on its personnel for violating the rules of the ICS during the most recent year up to the publication date of this report: None.

(XI) Major Decisions of Shareholders' Meeting and Board Meetings in the most recent year as of the publication date of the Annual Report:

1. Important Resolutions at the Annual Meeting of Shareholders in 2021:

Date of meeting	Material matters to be resolved	Implementation
2021.07.02	1. Adoption of the Company's 2020 Business Reports and Financial Statements.	The resolution has been followed.
	2. Adoption of the Company's Distribution Plan for Retained Earnings of 2020.	Distribution was to be made on September 3, 2021 at NT$2.4 cash dividends per share.
	3. Adoption of the issuance of new shares from the Company's 2020 earnings.	Distribution was to be made on September 27, 2021 at NT$1 stock dividends per share.
	4. Adoption of the amendment to the Company's Articles of Incorporation.	The resolution has been followed.
	5. Adoption of the amendment to the Company's Rules of Procedure for Shareholders Meetings.	The resolution has been followed.

2. Important resolutions at board meetings:

Date of meeting	Meeting No.	Material matters to be resolved
2021.03.26	The 13th meeting of the 12th Board	1. The Remuneration Committee adopted the amendment to partial provisions of the Company's Remuneration Committee Charter. 2. The Remuneration Committee adopted the amendment to the Company's Annual Performance Bonus Payment Method. 3. The Remuneration Committee adopted the proposal of the Company's allocation and distribution plan for employee bonus and the remuneration of Directors for 2020. 4. The Remuneration Committee adopted the proposal of the Chairman's performance bonus for 2020. 5. The Remuneration Committee adopted the proposal of the chairman's request to reduce the percentage of the annual performance bonus payment in 2020, considering the future growth space of the Company. 6. The Remuneration Committee adopted the proposal of the Company to sign a joint construction contract with Dong An Asset Development and Management Co. Ltd. 7. The Remuneration Committee adopted the proposal to draft the Company's "Statement on the Internal Control System" of 2020. 8. The Remuneration Committee adopted the proposal to prepare the Company's operation report and financial statements of 2020. 9. The Remuneration Committee adopted the proposal to develop the Company's "Earnings Distribution Plan" of 2020. 10. The Remuneration Committee adopted the proposal of the Company to allocate the dividend of NT$503,791,000 from the distributable earnings of 2020 to increase its capital and issue 50,379,100 ordinary shares, so as to expand its business and improve its financial structure. 11. The Remuneration Committee adopted the proposal to formulate the Company's Ethical Corporate Management Procedures and Behavior Guidelines. 12. The Remuneration Committee adopted the proposal to amend the Company's

Date of meeting	Meeting No.	Material matters to be resolved
		Articles of Incorporation, and partial articles of the Rules of Procedure for Shareholders Meetings. 13.It was proposed to adjust the Company's 2021 Annual Financial Objectives. 14.The proposal to release the Company's managers from the restrictions on non-competition. 15.Drew up the agenda of the Company's 2021 regular shareholders' meeting and other relevant matters.
2021.05.06	The 14th meeting of the 12th Board	For business purposes, it was proposed that the Company entered into financing contracts with financial institutions.
2021.05.10	The 15th meeting of the 12th Board	It was proposed to change the time of the Company's 2021 Annual Shareholders' Meeting.
2021.05.31	The 16th meeting of the 12th Board	It was proposed to postpone the date and location of the 2021 Annual Shareholders' Meeting of the Company.
2021.07.23	The 17th meeting of the 12th Board	It was proposed to set a base date for the Company's 2020 dividend allotment.
2021.08.06	The 18th meeting of the 12th Board	1. Audit Committee approved the Company's proposal to sign an investment contract with the Taichung City Government for the land development project of the Sihwei Elementary School Station of the Wuri-Wenxin-Beitun Line of the Taichung Mass Rapid Transit. 2. Audit Committee approved the Company's proposal to sign a contract with the New Taipei City Government for the implementation of an Urban Renovation project for the public and private land adjacent to Lot 472, Fuzhong Section, Banqiao District, New Taipei City. 3. The Remuneration Committee has approved the organizational adjustment of the Company. 4. The Remuneration Committee has approved the amendment to the Company's Sales Performance Bonus Payment Method.
2021.10.29	The 19th meeting of the 12th Board	1. The Remuneration Committee adopted the amendments to the quality manual and some procedures of the Company's internal control systems. 2. Audit Committee approved the establishment of the "Regulations for Reporting Violations of Honest Management". 3. Audit Committee approved the Company's proposal to enter into a "Contract for the Implementation of the Urban Renovation Project of the Special Commercial Area (X) Land at the Nangang Former Site (AR-1-2) of the Northern Warehousing Center of Taiwan Power Company" with Taiwan Power Company, Ltd. 4. Remuneration Committee ratified and approved the appointment of managers and project managers of the Board of Directors' Office. 5. Remuneration Committee has approved amendments to the Company's Performance Evaluation Method of the Board of Directors.
2021.12.27	The 20th meeting of the 12th	1. It was proposed to draft the Company's 2022 Annual Operational Plan. 2. Remuneration Committee adopted the proposal to draft the Company's 2022 Annual Audit Plan.

Date of meeting	Meeting No.	Material matters to be resolved
	Board	3. Remuneration Committee adopted the evaluation of the independence and suitability of CPAs appointed by the Company. 4. Audit Committee approved the addition to "Donation Management Measures". 5. Audit Committee approved the appointment of Kedge Construction Co., Ltd. to construct "New Taipei Circular Line Xiulang Bridge Station (Y8) Land Development Project", a new project of the Company. 6. Audit Committee approved the appointment of Kedge Construction Co., Ltd. to construct "Minquan E Rd Urban Renovation Project", a new project of the Company. 7. Remuneration Committee approved the annual compensation for the Manager in accordance with the Company's "Annual Employee Compensation Method". 8. Remuneration Committee approved the food allowance adjustment for 15 people above the assistant manager level (inclusive). 9. Remuneration Committee approved the proposal of a promotion and salary adjustment for managers in the Company for 2021. 10. The Company proposed to donate NT$ 9 million to Kindom Yu San Education Foundation in the coming year (2022).
2022.03.25	The 21st meeting of the 12th Board	1. The Remuneration Committee has approved the organizational adjustment of the Company. 2. Remuneration Committee approved the proposal of a promotion and salary adjustment for managers in the Company for 2022. 3. Remuneration Committee approved the Company's plan of 2020 to fund and distribute compensation to employees and directors. 4. Remuneration Committee approved the amendment to the "Land Development Project Performance Bonus Method" and "Business Sales Performance Bonus Method". 5. Audit Committee approved the appointment of Kedge Construction Co., Ltd. to construct "The Residential Building at Songchang Section in Taichung's Beitun District Project", a new project of the Company. 6. Audit Committee approved the appointment of Kedge Construction Co., Ltd. to construct "Taiwan's Sihwei Elementary School Station MRT Co-construction Office Building Project", a new project of the Company. 7. Audit Committee approved the proposal to prepare the Company's "Statement on the Internal Control System" of 2021. 8. Audit Committee approved the proposal to prepare the Company's operation report and financial statements of 2021. 9. Audit Committee approved the proposal to develop the Company's "Earnings Distribution Plan" of 2021. 10. Audit Committee approved the amendment to some articles of the Company's "Procedures for acquisition or disposal of assets" and "Code of Best Practice for Corporate Social Responsibility". 11. Remuneration Committee approved the proposal to amend the Company's Articles of Incorporation. 12. Audit Committee approved the amendment to the Company's "Code of Corporate Governance Practices" and "Standard Operating Procedures for Handling Directors' Requests". 13. In accordance with the internal rotation of KPMG Taiwan, since the first quarter of 2022, the Audit Committee approved the proposal to engage I-Lien, Han and Kuo-Yang, Tseng as contracted CPAs for financial statements of the Company. 14. The Remuneration Committee adopted the evaluation of the independence and suitability of CPAs appointed by the Company.

Date of meeting	Meeting No.	Material matters to be resolved
		15.It was proposed to elect the Directors (including Independent Directors) of the 13th Board of Directors of the Company. 16.Drew up the agenda of the Company's 2022 regular shareholders' meeting and other relevant matters. 17.For business purposes, it was proposed that the Company entered into financing contracts with financial institutions.

(XII) In the most recent year as of the date of this Annual Report, directors or supervisors showed different opinions on important resolutions adopted by the Board of Directors with records or written statements: None.

(XIII)Summary of resignations and dismissals of persons related to financial reports （including the Chairman, General Manager, Accounting Supervisor and chief internal auditor, etc.） during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

V. CPAs Professional Fees:

(I) Information of Professional Fees to the CPAs (Please fill in the appropriate amounts):

Amount Unit: NT$ 1,000

Accounting firm	Audit period	Name of cpas	Audit fee	Non-audit fee	Total	Remarks
Kpmg taiwan	January 1 to december 31, 2021	I-lien, han Di-nuan, chien	2,510	1,124	3,634	Non-audit fee: 1. Tax certification of nt$ 690 thousand 2. Review of "full-time salary information checklist for non-supervisory employees" of nt$ 30 thousand 3. Review of "capital increase from surplus" of nt$ 80 thousand 4. Urban renovation fee schedule of the agreement program of nt$ 300 thousand 5. Development of the actual performance table review fee of nt$ 24 thousand
		Chih, chang	-	35	35	Non-audit fee: 1. Change of registration fee for issuing new shares by transferring capital from surplus of nt$ 35 thousand

(II) Non-audit fees paid to the CPAs, accounting firm of the CPAs and its affiliated companies in an amount more than one quarter of the audit fees: The non-audit fee of NT$ 690 thousand for tax certification is more than one quarter of the audit fee.

(III) Replacement of CPA firm and the annual audit expenses are less than that of the year prior to the change: None.

(IV) Audit expenses have decreased by 15% or more from the previous year: None.

VI. Replacement of CPAs: None.

VII. Has any of the Company's Chairman, General Manager, or managers responsible for finance or accounting duties served in the Company's CPA firm or its affiliated Company within the most recent year: None.

VIII. Share equity transfer and changes in equity pledge among the Chairman, Board supervisors, managers, and shareholders who hold more than 10% of shares, from the past year up to the date printed on the Annual Report:

(I) Changes in equity of directors, supervisors, managers and substantial shareholders in the most recent year and as of the date of this Annual Report:

(Unit: Share)

<table>
<tr><th rowspan="2">Title (Note 1)</th><th rowspan="2">Name</th><th colspan="2">2021</th><th colspan="2">As of May 1, 2022</th></tr>
<tr><th>Net Change in Shareholding</th><th>Net Change in Shares Pledged</th><th>Net Change in Shareholding</th><th>Net Change in Shares Pledged</th></tr>
<tr><td>Chairman</td><td>Yu-De Investment Co. Representative: Mike Ma</td><td rowspan="6">9,630,467</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Director</td><td>Yu-De Investment Co. Representative: Mei-Chu Liu</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Director</td><td>Yu-De Investment Co. Representative: Ching-Chin Hung</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Director</td><td>Yu-De Investment Co. Representative: Sheng-An Chang</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Director</td><td>Yu-De Investment Co. Representative: Ching-Fen, Chang</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Director</td><td>Yu-De Investment Co. Representative: Ming Chen</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Independent Director</td><td>Hung-Chin Huang</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Independent Director</td><td>Shen-Yu Kung</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Independent Director</td><td>Kuo-Feng Lin</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>General Manager</td><td>Ching-Chin Hung</td><td>14</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Vice General Manager</td><td>Sheng-An Chang</td><td>796</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Vice General Manager</td><td>Si-Han Chen</td><td>3,000</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Acting Vice General Manager</td><td>Peng-Lung Hua</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Senior Assistant Manager</td><td>Shu-Yuan Lin</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Senior Assistant Manager</td><td>Shu-Lian, Chang</td><td>512</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Senior Assistant Manager</td><td>Qian-Fang, Hwang (Note 2)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Senior Assistant Manager</td><td>Da-Gung, Chou (Note 2)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Senior Assistant Manager</td><td>Hsiu-Hsia, Chu (Note 5)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Senior Assistant Manager</td><td>Li-Jen, Chou (Note 5)</td><td>800</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Assistant Manager</td><td>Chuan-Hung, Wu (Note 2)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

Title (Note 1)	Name	2021		As of May 1, 2022	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Assistant Manager	Ta-Hsin, Chou (Note 2)	-	-	-	-
Acting Assistant Manager	Heng-Chia, Chang	1,100	-	-	-
Chief Corporate Governance Officer	Li-Ya, Chen (Note 3)	-	-	-	-
Project Assistant Manager	En-Hui, Yao (Note 4)	-	-	-	-
Substantial shareholder	Yu-De Investment Co.	-	-	-	-
Substantial shareholder	Mei-Chu Liu	6,110,481	-	-	-

Note 1: Shareholders holding more than 10% of the Company's total shares shall be designated as substantial shareholders and listed separately.

Note 2: Promoted on October 1, 2021.

Note 3: Promoted on January 1, 2021.

Note 4: Newly elected on September 1, 2021.

Note 5: Newly elected on April 1, 2022.

Note 6: The following table shall be filled in if the counterparty to the equity transfer or equity pledge is a related party.

(II) Information on stock transfer: None.

(III) Information on equity pledge: None.

IX. Information of the top ten shareholders who are of related parties, spouse, relative within second-degree kinship to each other:

May 1, 2022 (Unit: shares)

Name (Note 1)	Shares held by themselves		Spouse & minor shareholding		Total Shareholding by nominee arrangement		Names and the relationship among the top ten shareholders in the relationship of related parties within the meaning of "Statements of Financial Accounting Standards (SFAS) No.6" or spouses, blood relatives within the second degree of kinship (Note 3)		Remarks
	Number of shares	Shareholding ratio (Note 2)	Number of shares	Shareholding ratio (Note 2)	Number of shares	Shareholding ratio (Note 2)	Name	Relationship	
Yu-De Investment Co. Representative: Mei-Chu Liu	105,935,137	19.12%	-	-	-	-	Mei-Chu Liu	The Company's chairman	
							Mike Ma	Relative within first-degree kinship of the Company's chairman	
							Billions Finance Co., Ltd.	The Company's chairman as a relative within second-degree kinship to the chairman of Billions Finance Co., Ltd.	
							Shau-Ling, Ma	Relative within first-degree kinship of the Company's chairman	
Mei-Chu, Liu	67,215,292	12.13%	-	-	-	-	Yu-De Investment Co.	The Company's chairman	
							Mike Ma	Relative within first-degree kinship	
							Billions Finance Co., Ltd.	Relative within first-degree kinship to the chairman of Billions Finance Co., Ltd.	
							Shau-Ling, Ma	Relative within first-degree kinship	
Guanyi Investment Co., Ltd Representative: Kun-Chih, Li	18,303,658	3.30%	-	-	-	-	-	-	
HSBC Custody BAYVKA3 - Global Investment Responsibility	10,597,000	1.37%	-	-	-	-	-	-	
Mike Ma	9,900,000	1.79%	-	-	-	-	Yu-De Investment Co.	The chairman of Yu-De Investment Co. as a relative within first-degree kinship	
							Mei-Chu, Liu	Relative within first-degree kinship	
							Billions Finance Co., Ltd.	The Company's chairman	
							Shau-Ling, Ma	Relative within second-degree kinship	
Jiequn Investment Co., Ltd. Representative: Shu-Yuan, Lin	9,373,084	1.69%	-	-	-	-	-	-	
Billions Finance Co., Ltd. Representative: Mike Ma	6,040,599	1.09%	-	-	-	-	Yu-De Investment Co.	The Company's chairman as a relative within second-degree kinship to the chairman of Yu-De Investment Co.	
							Mei-Chu Liu	Relative within first-degree kinship of the Company's chairman	

Name (Note 1)	Shares held by themselves		Spouse & minor shareholding		Total Shareholding by nominee arrangement		Names and the relationship among the top ten shareholders in the relationship of related parties within the meaning of "Statements of Financial Accounting Standards (SFAS) No.6" or spouses, blood relatives within the second degree of kinship (Note 3)		Remarks
	Number of shares	Shareholding ratio (Note 2)	Number of shares	Shareholding ratio (Note 2)	Number of shares	Shareholding ratio (Note 2)	Name	Relationship	
							Mike Ma	The Company's chairman	
							Shau-Ling, Ma	Relative within second-degree kinship	
Lu-Min, Chen	5,959,237	1.08%	-	-	-	-	-	-	
Shau-Ling, Ma	5,617,558	1.01%	-	-	-	-	Yu-De Investment Co.	The chairman of Yu-De Investment Co. as a relative within first-degree kinship	
							Mei-Chu Liu	Relative within first-degree kinship	
							Mike Ma	Relative within second-degree kinship	
							Billions Finance Co., Ltd.	Relative within second-degree kinship to the chairman of Billions Finance Co., Ltd.	
ABP Retirement Fund Investment Account custodied by JPMorgan Chase	5,500,940	0.99%	-	-	-	-	-	-	

Note 1: All top ten shareholders should be enumerated in full. In case of juristic (corporate) person shareholders, the names of all such juristic (corporate) person shareholders and their representatives should be enumerated respectively.

Note 2: Shareholding percentage is calculated separately based on the percentage of shares held in the name of the person, his/her spouse, minor children, or others.

Note 3: Relationships between the aforementioned shareholders, including juristic person shareholders and natural person shareholders shall be disclosed based on the financial reporting standards used by the issuer.

X. Number of shares held and percentage of stake of investment in other companies by the company, the company's director, supervisor, managerial officer, or an entity directly or indirectly controlled by the company, and calculations for the consolidated shareholding percentage of the above categories.

May 1, 2022 (Unit: shares; %)

Reinvestment in business (Note)	Investment by the Company		Investment by directors, supervisors, managers and entities either directly or indirectly controlled by the Company		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Kedge Construction Co., Ltd.	36,247,768	34.18	14,513,679	13.69	50,761,447	47.87
Global Mall Co., Ltd.	320,104,900	84.02	-	-	320,104,900	84.02
Guan Cheng Co., Ltd. (GLOBAL MALL BANQIAO STORE)	10,200,000	51.00	9,800,000	49.00	20,000,000	100.00

Note: It is an invested company by the Company using the equity method.

Chapter 4 Funding Status

I. Capital and Shares:

(I) Sources of capital:

Unit: share; NT$

Year/Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Capital source	Capital increase by assets other than cash	Others
1979.11	10	100,000	1,000,000	100,000	1,000,000	Incorporation	None	
1982	10	3,000,000	30,000,000	3,000,000	30,000,000	Cash capital increase of NT$29,000,000	None	
1984.03	10	5,000,000	50,000,000	5,000,000	50,000,000	Cash capital increase of NT$20,000,000	None	
1990.06	10	17,000,000	170,000,000	17,000,000	170,000,000	Cash capital increase of NT$120,000,000	None	
1990.12	10	39,000,000	390,000,000	39,000,000	390,000,000	Cash capital increase of NT$200,000,000 Capitalization of retained earnings in an amount of NT$20,000,000	None	
1991.10	10	42,000,000	420,000,000	42,000,000	420,000,000	Capitalization of retained earnings in an amount of NT$30,000,000	None	
1992.07	10	52,500,000	525,000,000	52,500,000	525,000,000	Capitalization of retained earnings in an amount of NT$105,000,000	None	
1993.07	10	100,000,000	1,000,000,000	65,625,000	656,250,000	Capitalization of retained earnings in an amount of NT$131,250,000	None	
1994.04	10	100,000,000	1,000,000,000	100,000,000	1,000,000,000	Cash capital increase of NT$343,750,000	None	
1994.07	10	200,000,000	2,000,000,000	125,000,000	1,250,000,000	Capitalization of retained earnings in an amount of NT$250,000,000	None	
1995.07	10	200,000,000	2,000,000,000	156,250,000	1,562,500,000	Capitalization of retained earnings in an amount of NT$125,000,000 Capitalization of capital reserves in the amount of NT$187,500,000	None	
1996.08	10	200,000,000	2,000,000,000	195,312,500	1,953,125,000	Capitalization of retained earnings in an amount of NT$156,250,000 Capitalization of capital reserves in an amount of NT$234,375,000	None	
1997.08	10	370,000,000	3,700,000,000	244,140,625	2,441,406,250	Capitalization of retained earnings in an amount of NT$273,437,500 Capitalization of capital reserves in the amount of NT$214,843,750	None	
1997.10	10	370,000,000	3,700,000,000	274,140,625	2,741,406,250	Cash capital increase of NT$300,000,000	None	
1998.07	10	370,000,000	3,700,000,000	342,675,781	3,426,757,810	Capitalization of retained earnings in an amount of NT$356,382,810 Capitalization of capital reserves in the amount of NT$328,968,750	None	
1999.06	10	650,000,000	6,500,000,000	428,344,726	4,283,447,260	Capitalization of retained earnings in an amount of NT$411,210,937 Capitalization of capital reserves in the number of 445,478,513 shares	None	

Year/Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Capital source	Capital increase by assets other than cash	Others
2000.06	10	650,000,000	6,500,000,000	514,013,671	5,140,136,710	Capitalization of retained earnings in an amount of NT$428,344,724 Capitalization of capital reserves in the amount of NT$428,344,726	None	
2001.04	10	650,000,000	6,500,000,000	504,376,671	5,043,766,710	De-capitalization in the amount of NT$96,370,000	None	
2001.10	10	650,000,000	6,500,000,000	489,403,671	4,894,036,710	De-capitalization in the amount of NT$149,730,000	None	
2011.01	10	650,000,000	6,500,000,000	492,273,604	4,922,736,040	Corporate Bond Conversion: 28,699,330	None	
2011.04	10	650,000,000	6,500,000,000	492,618,884	4,926,188,840	Corporate Bond Conversion: 3,452,800	None	
2011.10	10	650,000,000	6,500,000,000	493,345,324	4,933,453,240	Corporate Bond Conversion: 7,264,400	None	
2012.07	10	650,000,000	6,500,000,000	496,508,113	4,965,081,130	Corporate Bond Conversion: 31,627,890	None	
2012.10	10	650,000,000	6,500,000,000	498,722,065	4,987,220,650	Corporate Bond Conversion: 22,139,520	None	
2013.04	10	650,000,000	6,500,000,000	501,510,221	5,015,102,210	Corporate Bond Conversion: 27,881,560	None	
2013.07	10	650,000,000	6,500,000,000	503,791,000	5,037,910,000	Corporate Bond Conversion: 22,807,790	None	
2021.07	10	650,000,000	6,500,000,000	554,170,100	5,541,701,000	Capitalization of retained earnings in an amount of NT$503,791,000	None	

May 1, 2022

Share category	Authorized capital			Remarks
	Outstanding shares	Unissued Shares	Total	
Common stocks	554,701,100	95,298,900	650,000,000	Listed stocks

Information About Shelf Registration System

Category of securities	Intended issue amount		Issued amount		The purpose and expected benefits of the issued shares	Scheduled issuing period for the unissued shares	Remarks
	Total number of shares	Approved amount	Number of shares	Price			
None							

(II) Composition of shareholders:

May 1, 2022

Structure	Government agencies	Financial institutions	Other institutional shareholders	Foreign institutions and foreign natural persons	Domestic natural persons	Total
Number of shareholders	-	4	248	261	46,626	47,139
No. of shares held	-	2,378,830	151,656,658	107,130,781	293,003,831	554,170,100
Proportion (%)	-	0.43%	27.37%	19.33%	52.87%	100.00%

Note: An initial TWSE/TPEx-listed company or an emerging stock company shall disclose the shareholding percentage of the company's shares held by companies in Mainland China; companies in Mainland China refers to companies invested by people, juridical persons, organizations, and other institutions in Mainland China or investments made in third regions by Mainlanders as stipulated in Article 3 of The Rules Governing Permits for People from Mainland China Investing in Taiwan.

(III) Equity dispersion

May 1, 2022

Shareholding range	Number of shareholders	No. of shares held	Shareholding ratio %
1-999	24,307	1,150,634	0.21%
1,000-5,000	16,507	33,573,259	6.05%
5,001-10,000	3,053	21,809,719	3.94%
10,001-15,000	1,173	14,025,767	2.53%
15,001-20,000	518	9,312,028	1.68%
20,001-30,000	557	13,762,844	2.48%
30,001-40,000	243	8,579,075	1.55%
40,001-50,000	130	5,910,207	1.07%
50,001-100,000	289	20,120,658	3.63%
100,001-200,000	150	21,066,234	3.80%
200,001-400,000	92	25,465,490	4.60%
400,001-600,000	24	11,526,242	2.08%
600,001-800,000	22	14,683,155	2.65%
800,001-1,000,000	13	11,667,631	2.11%
More than 1,000,001 shares	61	341,517,157	61.62%
Total	47,139	554,170,100	100.00%

Note: The Company does not issue preferred shares.

(IV) List of substantial shareholders (shareholders with shareholding of 5% or more or top 10 shareholders):

May 1, 2022

Shareholding / Name of substantial shareholders	No. of shares held	Shareholding ratio
Yu-De Investment Co.	105,935,137	19.12%
Mei-Chu Liu	67,215,292	12.13%
Guanyi Investment Co., Ltd	18,303,658	3.30%
HSBC Custody BAYVKA3 - Global Investment Responsibility	10,597,000	1.91%
Mike Ma	9,900,000	1.79%
Jiequn Investment Co., Ltd.	9,373,084	1.69%
Billions Finance Co., Ltd.	6,040,599	1.09%
Lu-Min, Chen	5,959,237	1.08%
Shau-Ling, Ma	5,617,558	1.01%
ABP Retirement Fund Investment Account custodied by JPMorgan Chase	5,500,940	0.99%

(V) Market price, net worth, earnings, dividends and other information in the most recent two fiscal years:

Unit: NT$

Item		Year	2020	2021	Current Fiscal Year (2022) up to March 31, 2022 (Note 8)
Market value per share (Note 1)	Highest		42.90	44.6	39.2
	Lowest		17.60	31.5	35.9
	Average		31.88	38.6	37.47
Net worth per share (Note 2)	Before distribution		30.25	31.69	33.19
	After distribution		25.31	(Note10)	-
Earnings per share	Weighted average number of shares		542,479,316	542,479,316	542,479,316
	Earnings per share (Note 3)		6.18(Note 9)	6.47	1.53
Dividend per share	Cash dividends		2.4	2.5(Note10)	-
	Free allotment	Dividends from retained earnings	1	-	-
		Dividends from capital reserves	-	-	-
	Accumulated unpaid dividend (Note 4)		-	-	-
Return on investment	Price-earnings (P/E) ratio (Note 5)		5.16	5.97	-
	Price-dividend (P/D) ratio (Note 6)		13.28	(Note10)	-
	Cash dividend yield (Note 7)		7.53%	(Note10)	-

* If retained earnings or capital reserves were used for capital increase, market prices and cash dividends that were retroactively adjusted based on the number of shares after distribution should be disclosed.

Note 1: The annual highest and lowest market value of common stock shall be listed. The annual average market value is calculated based on each year's transaction value and quantity.

Note 2: The quantity of shares issued at the end of the year shall be used as the reference and please fill in the table according to the distribution amount as resolved by the shareholders' meeting held in the following year.

Note 3: Where retroactive adjustment is necessary due to issuance of bonus shares, earnings per share before and after the adjustment shall be listed.

Note 4: If the terms of equity securities issuance allow unpaid dividends to be accumulated to the subsequent years in which there is profit, the Company shall disclose the accumulated unpaid dividends respectively up to that year.

Note 5: P/E ratio = Average closing price for each share in the year/Earnings Per Share

Note 6: Price/D ratio = Average closing price per share in the year/cash dividends per share

Note 7: Cash dividend yield = Cash dividends per share/current year average closing price per share.

Note 8: The per-share net value and Earnings per Share should be filled up to the quarter nearest to the date of the printing of the annual report to be audited by accountant; the remaining column should be filled with the annual data up to the printing date of the annual report.

Note 9: Earnings per share were retroactively adjusted for the no-compensation stock allotment. Earnings per share before adjustment was NT$6.80 and after adjustment was NT$6.18.

Note 10: The Board of Directors decided to distribute cash dividends at NT$2.5 per share for 2021, but this earnings distribution plan has not been approved at the shareholders' meeting.

(VI) The Company's dividend policy and implementation status:

1. Dividend policy stipulated in the Articles of Incorporation:

   As a capital-intensive industry, the Company will develop towards diversified investment, striving for growth and innovation. In order to continuously expand the appropriate amount of capital and take into account the needs of shareholders for cash, the Company's dividend policy stipulated in the Articles of Incorporation is "The future cash dividend ratio shall be at least 20% of the total amount of cash and stock dividends issued in the current year."

2. The proposed dividend distribution at this shareholders' meeting:

   The Board of Directors decided to distribute cash dividends at NT$2.5 per share for 2021, but this earnings distribution plan has not been approved at the shareholders' meeting.

3. Material changes expected in dividend policy: None.

(VII) Effect of any proposed stock dividends distribution on business performance and earnings per share: None.

(VIII) Compensation to employees, Directors and Supervisors:

1. The percentages or ranges with respect to the remuneration of the employee and Directors, as set forth in the Company's Articles of Incorporation:

   In accordance with Article 23 of the Articles of Incorporation of the Company, if the Company makes profits in the year, at least 0.5% thereof shall be distributed as remuneration for employees and at most 2% thereof as remuneration for directors. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses.

2. Accounting process adopted where there is a discrepancy between the estimated amount and the estimation base for this quarter's estimated remuneration to employees and directors, shares calculation base for issued stocks and remuneration shares, and actual issued amount:

   In the current period, 1.25% of the annual profit is allocated to pay employees and 1.25% to pay directors. If there is any difference between the actual allotment amount and the estimated amount, it shall be handled in accordance with the changes in accounting estimates and shall be adjusted for accounting based on a resolution of the shareholders' meeting.

3. Information on the proposed allocation of employee remuneration approved by the Board of Directors:
   (1) The Company's remuneration proposal for employees and directors in 2021 was approved by the Board of Directors on March 25, 2022. It is planned to allocate NT$53,929,349 to pay employees and NT$53,929,349 to pay directors, all of which will be paid in cash.
   (2) The amount of stock bonus to be distributed to employees and its proportion to the total amount of net income after tax and employee bonus in the current period: None.
   (3) The calculated earnings per share after considering the proposed allocation of employee remuneration and directors' remuneration is NT$6.47.

4. Actual allocation of employee dividends and directors' and supervisors' remuneration in the previous year:

Unit: NT$

	Resolutions of the board meeting March 26, 2021	Actual payout
Employee remuneration (paid in cash)	70,829,484	70,829,484
Remuneration to directors and supervisors	70,829,484	70,829,484
Total	141,658,968	141,658,968

(IX) Share Buyback by the Company: None.

II. Handling of corporate bonds, special stocks, overseas depository receipts, employee stock option certificates and the issuance of new shares through M&A or accepting transfer of shares from other companies, and the implementation of capital application plans:

(I) Handling of corporate bonds and the implementation of capital application plans:

1. Issuance of common corporate bonds:

Corporate bond category		First secured corporate bond of 2017	First secured corporate bond of 2018	First secured corporate bond of 2019	First secured corporate bond of 2020
Issue date		2018.01.15	2018.10.15	2019.12.12	2020.10.07
Par value		NT$1 million	NT$1 million	NT$1 million	NT$1 million
Place of issuance and transaction		Republic of China	Republic of China	Republic of China	Republic of China
Issue price		Issued at par value	Issued at par value	Issued at par value	Issued at par value
Total issued		NT$ 1 billion only	NT$ 1 billion only	NT$ 1 billion only	NT$ 1 billion only
Coupon rate		1.05%	0.88%	0.80%	0.60%
Duration		2018.01.15~2013.01.15	2018.10.15~2023.10.15	2019.12.12~2024.12.12	2020.10.07~2025.10.07
Guarantor		Hua Nan Commercial Bank, Ltd.	Taiwan Cooperative Bank, Ltd.	First Commercial Bank	Chang Hwa Commercial Bank, Ltd.
Trustee		Bank of Taiwan	JihSun International Commercial Bank Co., Ltd.	Land Bank of Taiwan	JihSun International Commercial Bank Co., Ltd.
Underwriter		Capital Securities Corp.	Taiwan Cooperative Securities Ltd.	First Securities Inc.	Chang Hwa Commercial Bank, Ltd.
Certified attorney		Hsing-Wei Chao, attorney at law	Ya-Wen Chiu, Attorney at law	Ya-Wen Chiu, Attorney at law	Ya-Wen Chiu, Attorney at law
Independent Auditor		Di-Nuan Chien, CPA	Di-Nuan Chien, CPA	Di-Nuan Chien, CPA	I-Lien Han, CPA
Loan principal repayment		Repayment in lump sum upon maturity	Repayment in lump sum upon maturity	Repayment in lump sum upon maturity	Repayment in lump sum upon maturity
Terms of Redemption of Early Settlement		None	None	None	None
Restrictions		None	None	None	None
Name of Credit Rating Agency, Rating Date and the results of Corporate Bond Ratings		Not Applicable	Not Applicable	Not Applicable	Not Applicable
Other rights	Amount of ordinary shares converted	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Regulations for issuance and conversion	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Potential Dilution of Equity and Impact on Shareholders' Equity		Not Applicable	Not Applicable	Not Applicable	Not Applicable
Name of the commissioned custodian of exchangeable underlying		None	None	None	None

2. Information on issued convertible corporate bonds: None.

(II) Handling of preferred shares: None.

(III) Handling of overseas depository receipts: None.

(IV) Handling of employee stock option certificates: None.

(V) Issuing of new shares by M&A of or accepting transfer of shares from other companies: None.

(VI) The implementation of capital application plans:

1. Plan details:

As of the quarter before the date of this Annual Report, the previous issuance or private placement of securities had not been completed or completed within the last three years and the planned benefits have not yet been shown: None.

2. Implementation:

(1) In order to repay the bank loans and reduce the financial burden, the Company issued the first secured common corporate bonds for 2017 in the amount of NT$ 1 billion on January 15, 2018. The funds raised were fully applied in the first quarter of 2018 as planned.

(2) In order to repay the bank loans and reduce the financial burden, the Company issued the first secured common corporate bonds for 2018 in the amount of NT$ 1 billion on October 15, 2018. The funds raised were fully applied in the fourth quarter of 2018 as planned.

(3) In order to repay the bank loans and reduce the financial burden, the Company issued the first secured common corporate bonds for 2019 in the amount of NT$ 1 billion on December 12, 2019. The funds raised were fully applied in the fourth quarter of 2019 as planned.

(4) In order to repay the bank loans and reduce the financial burden, the Company issued the first secured common corporate bonds for 2020 in the amount of NT$1 billion on October 7, 2020. The funds raised were fully applied in the fourth quarter of 2020 as planned.

(VII) Restrictions on employees' rights to subscribe for new shares: None.

(VIII)The name, acquisition status and subscription of the managers who obtained the employee stock option certificate and the top ten employees who obtained the stock option certificate and could subscribe for shares: None.

(IX) The names and acquisition status of the managers who acquired the new shares restricting the rights of employees and the top 10 employees: None.

Chapter 5 Operational Highlights

I. Businesses:

(I) Scope of business:

1. Existing goods (services) items and new goods (services) planned to be developed:
   (1) Construction operation segment: Leasing and selling of national residential and commercial buildings built by construction companies. All residential, commercial real estate and parking spaces built are sold in domestic market. The future plan is to actively develop new products and provide services as follows:

Item	Refinement of core products	Refinement of related services	Business diversification
Contents	1. Building premium residential products to meet the needs of various groups 2. Construction of various office, mixed residential and commercial or complex development projects 3. Participate in the MRT joint development, development of public metropolitan and urban complexes	1. Introduce the ESG concept of green, smart and sustainable planning and design 2. Build smart building equipment 3. Building community libraries 4. Customized services 5. Permanent after-sales service	1. Invest in construction 2. Invest in IT 3. Invest in commercial real estate 4. Invest in retail department stores

   (2) Building operation segment: Undertake construction projects such as corporate headquarters, civil workshops, medical buildings and residential buildings, as well as civil projects such as land preparation and rezoning, roads and bridges. The owners are mainly domestic construction companies, electronic technology companies and government agencies. Future plans will actively undertake various high-tech and high-added value projects.
   (3) Department store segment: Operating shopping center business, self-operated counters and counters sell all goods for domestic sale.

Item	Existing goods (services)	Future plans to actively develop goods (services)
Contents	1. Retail of department store commodities 2. Food and beverage 3. Cinemas 4. Parent-child entertainment 5. Parking lot service 6. Rental of shopping malls	1. Continuously evaluating new business sites domestically 2. Continuously build a database for big data analysis 3. Introducing famous brands at home and abroad to set up counters 4. Develop the digital sales model

2. Main businesses and business proportion:

Department	Construction	Building	Department stores
Proportion	62.82%	32.27%	4.91%

(II) Industrial overview:

1. Industry status and development:

(1) Construction:

In 2021, the whole market was fickle due to the COVID-19 epidemic, which has affected the speed of global economic recovery and domestic consumption. However, the market has abundant capital momentum, mortgage interest rates are still low, and the stock market has been robust, resulting in continued growth in housing transactions. Real estate investment has both consumer and investment properties, and the contribution of private fixed investment to domestic capital formation has been growing year by year, indicating that the construction industry has an important position in our economy. In addition, the industrial connection effect derived from the development and use of buildings is quite significant, and real estate is the most important subject of creditor's rights guarantee in the financial market. Therefore, the boom and bust of the construction industry and its sound development are important factors affecting the domestic economy and financial system.

In 2021, there were 348,194 housing units sold and transferred, an increase of 6.6% from 326,589 in 2020, the fifth consecutive year of positive growth since 2017 and the highest in the past eight years. Among them, Taipei City and New Taipei City accounted for 30,901 and 68,295 buildings respectively, the annual growth rate of New Taipei City was 7.81%.

The desire of Taiwanese businessmen to return to Taiwan for investment is still high. The demand for land and commercial office buildings in industrial areas has increased. In the context of global monetary easing policies and ultra-low interest rates, hot money is flooding into the financial market and pushing up the stock market to a record high, while the housing market is active with favorable factors, such as the expectation of low interest rates and inflation, and funds continued to transfer to the housing market. In order to avoid overheating and eliminate speculation in the housing market, the government announced a number of control policies and expected to establish a sound mechanism for housing market transactions, which is conducive to curbing housing price speculation and protect the rights and interests of self-use occupants with rigid demand. However, with the significant increase in construction costs and expected inflation, the housing market will continue to show a " stable volume and price" trend.

(2) Building:

According to the information released by the General Accounting Office of the Executive Yuan, the total budget for public construction projects in 2022 is NT$146.6 billion, plus a special budget of NT$85.7 billion for forward-looking infrastructure projects (Phase III), for a total of NT$232.3 billion, a slight increase of NT$4.6 billion, or 2%, over the same basis in 2021. In addition, NT$227.3 billion has been allocated to the operating and non-operating special funds, totaling NT$459.6 billion. In the overall budget arrangement, the principle of priority allocation will be continued for the current policy priorities, and the government will continue to support domestic public construction investments and balance the funds required for regional infrastructure, in order to build up national economic strength, strengthen key infrastructure, build up national economic potential, and enhance Taiwan's international competitiveness.

The project committee has proposed various countermeasures to deal with the rising prices. First of all, in addition to establishing a mechanism to stabilize the price of sand, gravel and fly ash, which are important raw materials for concrete, at the source, and continuously tracking the reasons for the recent increase in steel materials to avoid unreasonable price increases or hesitant sales, and requesting the Agency to make provisions for price adjustments at the project budget stage to address price fluctuations from the base year of construction cost estimation to the completion of the project. In addition, the model project procurement contract of the Committee has adopted a three-tier price adjustment mechanism according to individual items, mid-category items (including materials and labor), and the total index increase or decrease, so as to reduce the risk of price fluctuations to vendors during the contract performance stage.

(3) Department stores:

In the second to third quarter of 2021, the whole market was still impacted by the COVID-19 epidemic, and people tended to be cautious and conservative in their consumption, resulting in a sharp decline in performance. However, with the easing of the epidemic in Taiwan, the government's various revitalization programs and strict border control measures have boosted the consumption momentum in Taiwan. Since the fourth quarter of the year, the turnover of department stores has shown positive growth, with a decrease of 3.24% to NT$342.6 billion in 2021. Due to the proper control of the epidemic in Taiwan, the active domestic consumption has promoted local consumption, which can bring energy to operation recovery. It is expected that the marketing of the department stores will gradually walk out of the haze of the epidemic and show a moderate growth trend in 2022.

2. The industrial connections between the upper, middle and lower reaches:

(1) Construction:

The construction industry is made up of many related industries with different professional degrees, mainly including construction development, construction finance related industries, real estate brokerage, construction, management consulting, professional sales service and building materials industries, etc. The products and services provided by various industries include buildings and various professional services to support the investment, production and management of buildings. The demand for the former is mainly from the general consumers, while for the latter is from building developers. In addition, the development and operation of buildings is a long-term undertaking. In practice, it must be divided into many relatively short-term supply-demand relationships according to the division of labor between the market intervention stage and the specialty, and combined into a market activity system of the overall construction industry.

If the four levels of investment, production, trading and use are used to distinguish the connection between the upper, middle and lower reaches of the services provided by the construction industry, the investment stage is the most critical part of the construction industry, with the construction investment industry as the core. Related industries provide different professional information of the construction development industry, such as land brokers, financial institutions and consulting industries, from the order of the product life cycle. Economic activities in the production phase include product positioning, building planning, building financing, construction and engineering management, etc. Among them, product positioning and building design are between investment and production. Generally, architects, consultants and consignment agencies provide relevant professional consulting and services. Other parts include financial institutions, construction management companies, construction factories and other operators to provide relevant services.

Economic activities in the transaction stage are mainly planning, advertising and sales. Traditionally, most of the services are provided by consignment companies or handled by construction developers themselves. As for the economic activities in the use phase, there are mainly two items: product warranty and operation management. The former is mostly borne by the construction developers themselves, while the latter is provided with relevant services by property management companies or related consultants.

(2) Building:

The upper reaches of the construction industry are mainly mechanical and electrical industry, architect industry, engineering consultancy industry, ready-mixed concrete industry, steel industry, cement industry, sandstone industry and other building materials industry, providing professional services and building materials such as engineering construction and technical consultancy management. Construction firms in the middle reaches of the river will contract out to upstream firms after undertaking downstream client projects such as government units, public and private organizations and private construction companies.

(3) Department stores:

The upper reaches of the department store industry are those that provide goods and services or set up counters, the middle reaches are those that provide business premises and manage marketing, and the lower reaches are those that come to purchase goods or services. Site conditions of stores, quality and types of goods or services provided, consumer crowds and purchasing intentions are all related to the success or failure of the department store industry.

3. Development trends and competition status of products

(1) Construction:

Taipei is a national political, cultural, economic and medical center with excellent employment and living environment. Its position is difficult to be replaced. It is the first choice for middle-class and rich people to purchase property. Coupled with the decrease of land supply year by year and the return of a large number of Taiwanese businessmen, the demand for fine houses and luxury houses will still increase. New Taipei City, on the other hand, due to the gradual improvement of transportation construction and the convenience of living functions, has gradually developed its rezoning areas and gradually formed its sub-capital living circle, attracting many residents from other counties and cities to move in and driving the real estate market transaction to heat up.

Real estate market in both cities is relatively hot, which can be roughly divided into luxury residential areas, areas along the MRT line and rezoning areas. In recent years, small to medium-sized residential buildings have become the most popular product, with residential rents rising and some stable home buyers entering the market. Residential buildings along the MRT line and in the rezoning areas are most popular with owner-occupiers and investors. Among them, refined suites developed jointly by the MRT stations are the most popular. The rezoning areas are mainly made up of ordinary residential buildings with two to three rooms and a small flat number. With the trend of Taiwanese businessmen returning to Taiwan, the demand for land and offices in industrial areas is on the rise, and commercial real estate transactions are booming.

(2) Building:

In recent years, as the construction industry continues to move towards large-scale, exquisite design and high-tech standards, large-scale construction plants will be more competitive in bidding qualifications and conditions. The building operation segment of the Consolidated Company is a Class A construction firm with outstanding reputation. It has accumulated various project achievements in the industry, including residential commercial office, civil bridge, public building, medical building and science and technology factory office. It has won the recognition of the owners in controlling the quality and progress. It has a sound financial constitution, and its profitability is better than the average level of its peers. It has great development potential.

(3) Department stores:

As hypermarkets, convenience stores and virtual channels continue to join the competition, the growth space of department store industry is gradually being compressed. As hypermarkets, convenience stores and virtual channels continue to join the competition, the growth space of department store industry is gradually being compressed. In response to changes in consumer channels, the department store segment of the Consolidated Company has actively adopted strategies such as investing in the transportation hub to set up station-type shopping malls, carefully selecting and setting up cabinet businesses, introducing special catering and horizontal alliances, etc. It has also developed its own APP, invested in big data analysis, increased the cooperative marketing strategy of third-party payment tools and international card issuing organizations, and constructed online shopping platforms and intelligent shopping malls, providing fast-pick, delivery and meal reservation services, etc. to fully meet consumer needs, thus reducing the impact of the epidemic on operating performance and profitability.

(III) Technology and R&D Overview:

1. Construction operation segment:

In order to build exquisite houses and create a high-quality corporate image, the segment has been actively involved in research and planning in line with the green sustainability trend of products, and commissioned reputable construction plants to undertake the construction, in addition to employing well-known construction-related professional team to carry out planning, design and supervision, and introducing construction methods for earthquake prevention and earthquake resistance of buildings. Special attention is paid to customer service. A customer service department is set up to handle "permanent after-sales service”. A communication software service platform is also set up to provide customers with more instant and convenient channels of interaction to improve customer satisfaction.

2. Building operation segment:

In line with the needs of rapid business development and changes in market competition, the department is now actively developing its business objectives of improving the construction quality of construction projects, reducing construction costs and improving technical standards. Successful technologies are as follows:

Item No.	2020 Annual Research Project	2021 Annual Research Project	Implementation results and description
1	ERP System Innovation Plan-1	ERP System Innovation Plan-1	1.Engineering Management System - Cloud Platform (Cloud ERP) 2.Construction of Engineering Management and Financial Accounting
2	ERP System Innovation Plan-2	ERP System Innovation Plan-2	1.Team Cloud Collaboration System - Communication Platform (MS TEAMS) 2.Team Cloud Collaboration System - Operation Platform (MS OFFICE 365)
3	Construction Management System App Mobilization	Construction Management System App Mobilization	1.Autonomous Quality Check 2.Quality Control Checking System 3.Occupational Safety and Health System
4	Facial recognition access control system	Facial recognition access control system	Introduced the facial recognition system for site access control
5	AI-assisted Occupational Safety and Health Management System	AI-assisted Occupational Safety and Health Management System	Use AI technology to assist occupational safety and health projects with high risk (Steel Structure Assembling).
6	Research on BIM-assisted project quantity output - tekla software system	Research on BIM-assisted project quantity output - tekla software system	Using Tekla, a structural software, to quickly check the settlement of steel structure proposed by the suppliers.
7	Research and development on quantity output of BIM-aided engineering - revit software system	Research and development on quantity output of BIM-aided engineering - revit software system	Self-developed BIM structure quantity calculation APP can capture the quantity of formwork concrete in the model.

8	Graphing output of construction drawings by BIM general modeling software Revit	Graphing output of construction drawings by BIM general modeling software Revit	Ongoing development and promotion of the key feature of paper-based BIM construction drawings - automated tagging.
9	Introduction of conversion of UAV aerial images into numerical terrain data into research on BIM mapping data	Introduction of conversion of UAV aerial images into numerical terrain data into research on BIM mapping data	UAV 3D images are converted by post-processing software and then transferred to CIM software to quickly generate 3D topographic information for construction planning and calculation of earthwork quantities.
10	Research and introduction of the FIM maintenance platform	Research and introduction of the FIM maintenance platform	1. Exported COBie-compliant parameters, which can be used by the back-end maintenance management platform. 2. Ongoing introduction to project site execution.
11	Import of BIM Collaboration Platform	Import of BIM Collaboration Platform	1. Introduction of the BIM 360 collaborative platform developed by Autodesk Company to manage 2D/3D mapping data of the project. 2. Ongoing introduction to project site execution.
12	BIS-BIM certification of BIM projects according to international standards		In 2020, it entered the phase of project application
13	Introduction of CIM (Civil Information Modeling) for Civil Engineering Information System	Introduction of CIM (Civil Information Modeling) for Civil Engineering Information System	CIM project implementation in practice
14		BIM, Game Engine, MR Glasses	Evaluation and Possibility of BIM Imported Game Engine

3. Department store segment:

In cooperation with professional consultant teams at home and abroad, the department not only innovates the business concept of the store, adjusts the business structure of the store, improves the consumption line, actively strengthens the store's operation and management capabilities and strengthens the store's management, but also conducts professional education and training to help employees improve their work capabilities, encourages employees to apply the learning gains in their daily work, and hopes to shape the core values of customers' life through natural interaction with consumers and the business environment, thus creating a high-quality corporate image. We are committed to developing OMO Digital's new retail intelligence service platform, integrating online and offline consumption behaviors, accurately marketing and providing customers' favorite commodities by members, creating an appropriate consumption atmosphere, advancing with new thinking, and gradually implementing the hottest new concept of retail channel into our operations.

(IV) Long-term and short-term business development plans:

1. Construction operation segment:

(1) Short-term plan:

A. To accelerate the sales of existing land assets in stock.
B. To continuously evaluate high-quality lands in prime areas.
C. Take an active part in the competitive bidding of urban complex and public projects.
D. To understand the boom fluctuation, create sale values and company profits.

E. To utilize marketing digital tools to keep track of customers and reduce paper advertising.
F. To improve customer services, shorten case processing time and improve customer satisfaction.
G. To accelerate the removal of surplus housing, recover the accumulated funds and improve the financial structure.

(2) Long-term plan:

A. To strive for complex development projects with urban management as the core concept.
B. To focus on the development of high-quality lands in the prime areas of the six metropolitan areas and appropriately expand the business scale.
C. To invest in sustainable, forward-looking and long-term profitable industries and diversify.
D. Develop customer-oriented and market-oriented sustainable product plans to enhance added value.
E. To enhance the Company's brand value and develop its competitive advantages.
F. To integrate the upstream and downstream relations between production and marketing, create and maintain product quality and after-sales service.

2. Building operation segment:

(1) Short-term plan:

A. Cooperate with domestic excellent construction owners to build high-quality and exquisite houses, establish the corporate image of a good manufacturer.
B. Take an active part in the government's most advantageous bidding and turnkey cases, get rid of the low bid mode and obtain the best profit.
C. Strive for public works and construction projects with indicators to maintain competitive advantages, road and bridge projects to sustain business growth, rail projects to expand career areas, shield and tunnel projects to create new performance.
D. Combine with Japanese construction team to enhance construction strength.
E. Participate in competition for special index projects.
F. Actively strive for urban renovation construction projects.
G. Actively participate in green energy construction projects.

(2) Long-term plan:

A. To integrate relevant industries such as architectural planning and design, mechanical and electrical engineering, material production and supply, and engineering consultants to form a strong bidding team.
B. Technical cooperation with well-known foreign manufacturers to enhance technical capabilities and move towards internationalization.
C. Long-term investment in R&D.
D. Train design talents and provide overall customer service in combination with well-known domestic design teams.
E. Actively strive for large scale most favorable, turnkey projects and other policy plans to improve the overall customer service.
F. Engage in land development and creating company performance growth.
G. Develop into one of the top five domestic construction firms.
H. Enter the overseas markets
I. Establish brand image.

3. Department store segment:

(1) Short-term plan:

A. Optimize the business fundamentals of each mall, and continue to introduce new products and brands.
B. Provide online reservation, meal reservation and delivery services.

C. Enhance the competitiveness of existing business locations and strengthen the core value of shopping centers.
D. Optimize mobile APP and continuously introduce more third-party payment tools to improve the convenience of shopping and payment.
E. Combine the use of diversified digital tools to quickly provide consumers with comfortable shopping services.
F. Use big data technology to collect information, accurately communicate with target customers, reduce resource waste, and strengthen core competitiveness.

(2) Long-term plan:

A. Continuously evaluating additional shopping malls at domestic transportation hubs.
B. Provide customers and manufacturers with all-round digital integration platform services.
C. Develop all-round big data, accurately communicate with target customers, and explore potential business opportunities.
D. Continue to introduce high quality, sustainable and innovative brands at home and abroad to create differentiation in the market.
E. Engage domestic and foreign well-known enterprise consultants to carry out organizational changes and business type adjustments.
F. Consolidate the OMO digital new retail intelligent service platform, develop the ecosystem and maintain the loyalty of members.

II. An Overview of the Market, Production and Marketing:

(I) Market analysis:

1. Goods and services are mainly sold and offered to:

(1) Construction operation segment:

This segment mainly builds high-end residential and commercial buildings, office buildings and shopping malls, which are distributed in major metropolitan areas such as Taipei City, Xinbei City, Taoyuan City and Taichung City. For land development, the location with convenient transportation, complete living functions and potential for future development is preferred, and its sales are in good condition.

(2) Building operation segment:

At present, the segment is mainly engaged in residential construction projects, civil and bridge projects and hospital plant projects in Taiwan's island region.

(3) Department store segment:

The department has seven shopping centers, including all-passenger shopping centers "Xinbei Zhonghe" and "Pingdong" and station shopping centers "Nangang Station", "Banqiao Station", "Taoyuan A8", "Linkou A9" and "Xinzuoying Station". In addition, the "Taoyuan A19" will be put into operation in 2021, with a total area of more than 60,000 square meters.

2. Market share:

Department	Construction	Building	Department stores
Market share	3.60%	0.35%	2.51%

Note:

1. The market share of the building operation segment and the construction operation segment is calculated according to the ratio of operating income to the overall turnover of the industry in 2021.
2. The market share of the department store segment is based on the ratio of the invoiced turnover in 2021 to the overall turnover of the industry.

3. Future supply and demand, and growth of the market:

(1) Construction:

A. Supply side:

After the overflow of hot money caused by unlimited QE bailouts by central banks during the COVID-19 epidemic, the country is facing the adverse effects of credit control and phased interest rate increase by central banks, as well as the amendment of the real estate transaction law by the Ministry of Interior of the Executive Yuan from this year. In the international market, the FED is going to carry out reduction and the variables of geopolitical conflicts in Europe and Asia, all of which will sow variables for the future housing market. According to the Ministry of the Interior, the number of residential licensees in Taiwan was 170,465 in 2021, an increase of 6.51% compared to 2020, but the overall annual growth rate has slowed down compared to the previous year. Among them, Taipei City had 11,310 households, an increase of 16.33%, New Taipei City had 23,925 households, a decrease of 11.16%, and Taichung City had 32,502 households, a decrease of 4.09%. With the uncertainty of the future and the rising cost of materials, builders will choose to wait and see if there is no capital demand and pressure to launch new projects.

B. Demand side:

The domestic real estate industry is driven by the establishment of TSMC and its supply chain related technology plants, resulting in a booming market in Hsinchu, Taichung and Tainan, complemented by the booming shipping industry in recent years, which has provided substantial dividends to employees and shareholders With no change in the outlook for the domestic industry, the housing market is expected to remain buoyant in 2022.

(2) Building:

A. Supply side:

According to the Bureau of Construction of the Ministry of the Interior, as of December 2021, there are 19,266 construction companies at all levels in the country, including 3,051 Grade A construction companies. According to the statistics, the number of construction companies at all levels in China has increased by 238 compared to 2020, while the number of Grade A integrated manufacturing companies has increased by 95 compared to 2020.

B. Demand side:

According to the government's overall public construction projection of NT$608 billion in 2021, an increase of 14% over the previous year and the first time to exceed NT$600 billion, the government continues to build a sound infrastructure to maintain economic growth and expand domestic demand, and will continue to implement the "Forward-looking Infrastructure Plan" (Phase III). In addition, new projects such as the Industrial Innovation Program, railroad, highway and national highway bridge construction improvement projects, and Urban Renovation housing and long-term care facilities continue to create business opportunities.

(3) Department stores:

Although affected by the COVID-19 epidemic, the government's introduction of various revitalization programs and strict border control measures have stimulated the domestic market. In the fourth quarter of 2021, the turnover of the department stores gradually rebounded. However, in the context of the rapid changes in the consumer market and the purchasing trend, businesses should continuously strengthen marketing strategies such as "consumer orientation", "composite diversity", "locational convenience", "digitalization", "precision marketing" and "quick response", establish a unique style through diversified operations, attract the approval of target groups, and enhance consumers' willingness to come to the store.

4. Competitive niche:

(1) Construction operation segment:

Under the epidemic, the government's policy of property speculation and international disputes, there are many changes in the domestic business environment in the short term. Therefore, the financial status, brand reputation, product planning, construction quality and after-sales service of the builders are increasingly valued by home buyers. As the construction operation segment of the Consolidated Company have the above competitive niches, as well as stable and conservative operation and adherence to the construction of high- quality and exquisite residential buildings, the overall corporate image has won wide public recognition and will have more competitive advantages in this period of poor real estate market. As the construction operation segment of the Consolidated Company have the above competitive niches, as well as stable and conservative operation and adherence to the construction of high-quality and exquisite residential buildings, the overall corporate image has won wide public recognition and will have more competitive advantages in this future.

(2) Building operation segment:

The segment has an experienced management team, a sound financial structure and a good corporate image. In addition to being qualified as a Class A construction factory and having obtained ISO9001 and ISO45001 certification, it has also won numerous awards from government agencies and the Engineering Society. It is of great help in contracting private enterprises to build residential and factory buildings and other construction projects. It also has a competitive advantage in bidding for public projects.

(3) Department store segment:

The department can still maintain the momentum of operation and growth due to the establishment of shopping malls in excellent areas of transportation hubs, the convenience of providing consumers with ONE-STOP SHOPPING, and the establishment of a full-customer shopping center in the sub-capital to meet customers' all-round needs such as shopping, feasting, entertainment and leisure, as well as various competitive niches such as spacious and elegant shopping environment, convenient parking, commodities meeting local consumption needs and rapid adjustment of the configuration of cabinet-based businesses.

5. Advantages and Disadvantages for Development Vision and Countermeasures;

(1) Construction operation segment:

A. Advantages:

(A) Land transactions are very popular and house prices are highly supportive.
(B) The government actively promotes Urban Renovation and public construction.
(C) Return of overseas funds and abundant domestic funds.
(D) Mortgage interest rates remain low.
(E) Major construction continues to promote the benefits of the surrounding area, shaping a convenient living area.
(F) The major technology companies entered the six cities (namely Taipei City, New Taipei City, Taoyuan City, Taichung City, Tainan City and Kaohsiung City), driving the purchase willingness of the real estate market with rigid demand in the region.

B. Disadvantages:

(A) Exit of investors.
(B) The attitude of banks in handling loans will be conservative.
(C) As a result of the government's real estate speculation policy, the buyer's market turns to wait-and-see and tends to be conservative.
(D) Urban land is scarce, land prices continue to rise and the difficulty of acquiring land has increased.
(E) Construction costs have risen significantly.

(F) International political and economic conflicts are increasingly frequent.

C. Countermeasures:

(A) Construction of residential and commercial buildings for sale in the prime areas of the six metropolis areas.
(B) Integration of multiple development modes such as sale or joint construction, Urban Renovation, rapid transit joint development and urban complex.
(C) Maintain appropriate land inventory.
(D) Strictly control the cost of cases and the total number of cases pushed.
(E) Shorten the time frame for case development and construction.
(F) Improve the Company's brand value.
(G) Pay attention to product planning and design and after-sales service.
(H) Construct small and medium-sized apartments for first-time buyers and owner-occupiers.

(2) Building operation segment:
A. Advantages:

(A) We have been awarded by the owners of various domestic projects for many years, and have rich engineering experience and good corporate image.
(B) A complete construction supply chain system to keep abreast of construction price trends and create profits.
(C) Excellent professional and technical talents in engineering, finance, legal affairs and management.
(D) We construct the information system network to enhance the work efficiency and promote the e-build of construction, obtained the British Standards Institute (BSI) PAS 1192-2 standard verification and the international standard ISO 19650 Building Information Modeling (BIM) verification, and become the first company in Taiwan to obtain BIM dual verification, enhancing interface integration and reducing management costs.
(E) By introducing the concept of circular economy into the project and changing the traditional linear mindset, we became the first construction company in Taiwan to obtain BS 8001 certification, which is conducive to enhancing the company's competitiveness.
(F) Standardized (ISO) operations and comprehensive e-solutions, institutionalized project management, third-party management, and bulk material procurement have significantly reduced construction labor costs and effectively controlled the impact of price fluctuations, and is the first factory in Taiwan to receive the BIM international standard certification, which is highly beneficial to competitiveness.
(G) Introduced and obtained ISO 45001 Taiwan Occupational Safety and Health Management System Standard Certification to reduce occupational safety management risks and establish a quality health and safety work environment.
(H) Institutionalize construction management (Q.C.D.S.E) and aim at high quality, low cost, fast construction and zero disaster.
(I) To promote total quality management (TQM) activities, with full participation, continuous improvement and innovation breakthroughs.
(J) The government's implementation of the most favorable tenders, turnkey projects and BOT cases has stimulated the recovery of the economy and continued to improve the efficiency of project execution, giving a higher competitive advantage to large construction plants with scale and proven track records.
(K) The government drives the development of innovative industrial models and technologies for green energy and carbon reduction, which helps to promote the implementation and application of public construction projects such as smart green buildings.

B. Disadvantages:

(A) The situation of price cutting bidding still exists.
(B) The prices of steel bars, ready-mixed concrete, sand and gravel, metal building materials and other building materials are easily affected by the international market of raw materials and transportation costs, thus profit is vulnerable to compression.
(C) International construction plants have entered the country, making the construction market more competitive.
(D) The severe weather makes it difficult to control the construction schedule, which increases the difficulty of contract performance and the risk to the life and safety of workers.
(E) The significant lack of human resources due to the aging population poses a cost risk.
(F) The lack of sand and gravel materials brings the risk of unstable concrete supply and uncontrollable cost and schedule, plus the impact of the new coronavirus pneumonia in China, which makes the shortage of sand and gravel even bigger and the price even harder to control.
(G) The trade war between the U.S. and China and the shifting decisions of U.S. national leaders have caused confusion in market movements, affecting business strategies and increasing uncertainty in bid risk.

C. Countermeasures:

(A) Consolidate long-term cooperative relations with excellent domestic construction companies.
(B) Cultivate talents to enhance the management ability of the most favorable bids and turnkey bids, so as to get rid of the low price bidding mode and obtain the best profit.
(C) Establish a team of excellent collaborative suppliers and strengthen supply chain relationships and management.
(D) Grasp the fluctuation trend of bulk materials and formulate risk control measures.
(E) Learn the advantages of international construction plants, and strengthen the international outlook of the Company.
(F) Introduce foreign workers to major projects to increase labor resources.

(3) Department store segment:

A. Advantages:

(A) The store is located in a densely populated and transportation hub area with stable growth.
(B) The owned commercial real estate is located in the prime area of the city and has potential for asset appreciation.
(C) With an excellent management team.
(D) The management style is steady and conservative.
(E) The domestic economic boom has returned to warm, and private consumption is expected to increase.
(F) The government has introduced several measures to boost consumption and investment.

B. Disadvantages:

(A) OUTLET MALL joined the market and competition became increasingly fierce.
(B) The turnover rate of grass-roots employees is on the high side.
(C) The average national income is still difficult to increase significantly.
(D) Commercial real estate prices and rents remain high, making it difficult to set up new business locations.
(E) Virtual retail channels compete strongly.
(F) Unpredictable changes in the global epidemic.

C. Countermeasures:

(A) Use big data technology, accurately communicate with target customers, and strengthen core competitiveness.
(B) Through the application of digital tools such as APP, provide diversified and rapid shopping services to consumers.
(C) Provide online reservation, meal reservation and delivery services, and construct an e-commerce platform to improve performance.
(D) Introduce OMO Digital's new retail intelligence service platform, consolidate the loyalty of members and develop the life circle.
(E) Strengthen the ability of risk control.
(F) Improve organizational efficiency and implement management and control of marketing expenses.
(G) Duly adjust the structure of the counter-based business structure.
(H) Pay attention to store environment management and after-sales service, and actively build peace-of-mind stores.
(I) Enhance the brand value of the Company.

(II) Major purposes and production processes of key products

1. Construction operation segment:

(1) Major purpose:

A. Residential property: for people to live in.

B. Commercial real estate: used for commercial activities.

(2) Production process:

Acquiring land → appointing an architect to design → applying for building license → appointing a construction firm to build → completing the project → applying for use license → handing over the property.

2. Building operation segment:

(1)Major purpose:

A. Construction engineering:

According to the refinement and traffic convenience of the domestic building development, meeting the needs and designs of owners and design units, integrating various types of professional contractors and technicians, and properly planning and preparing various building materials. Through the construction management methods of time schedule, cost and quality, various types of building structures and decoration works are constructed according to the design and construction for residential and office buildings.

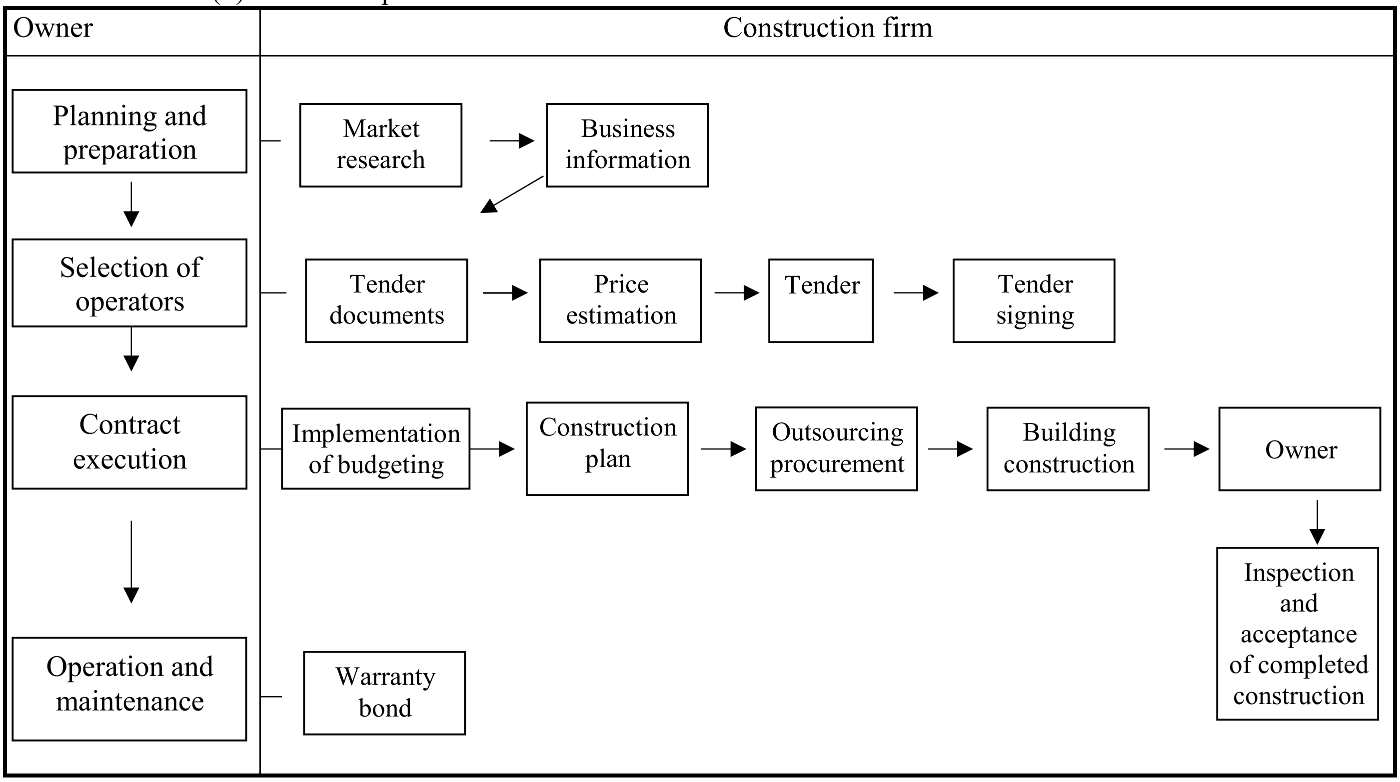
B. Civil engineering:

Cooperate with the government's major construction and private investment development plans, properly plan the implementation of the overall project, give priority to public interests, effectively integrate professional contractors and other technicians through construction management, prepare all kinds of construction materials, and complete all kinds of major public projects with professional technologies.

C. Plant engineering:

In response to the trend of technology development, and in line with the demand for high-tech factory construction in Taiwan such as 5G, IOT, Internet of Things, and cloud demand, and the trend of returning Taiwanese businessmen, we have been able to unite professional construction contractors and material suppliers to build professional factories within the most efficient construction period.

(2)Production process:



3. Department store segment:

The segment mainly sells goods from general department stores, combines bookshops, beauty salons, massage, cooking classrooms, pet grooming and other living facilities, and provides catering, entertainment, sports and supermarket services.

(III) The supply of major raw materials:

1. Construction operation segment:

(1) Land acquisition:

Construction on owned land, joint construction and sub-housing, joint construction and sub-sale, joint development, urban land rezoning, Urban Renovation and section expropriation.

(2) Location selection:

The locations of projects are concentrated in the metropolitan areas of greater Taipei. We continue to evaluate the land in potential areas based on factors such as transportation, major construction, and Urban Renovation. We do not stick to the conventional development pattern, but combine the collective effects to develop the land value in an innovative mode, pay attention to the real estate development in central and southern Taiwan, explore development opportunities in low-base areas, reduce land raw material acquisition costs, and expand business opportunities when appropriate.

(3) District choice:

A. Close to the city center.
B. Close to excellent school districts and institutions.
C. Access to parks, squares and greenbelts.
D. Neighboring to markets or supermarkets.
E. Quiet living environment.
F. Convenient location can be connected to the urban mobile axis trunk road.
G. Adjacent to stations and MRT stations.
H. Close to parking facilities, convenient parking.

I. Neighboring to business circles.
J. Excellent landscape and vision.
K. Good living function.
L. No installation causing danger or inconvenience
M. Proximity to libraries or community activity centers.

2. Building operation segment:

The main raw materials required are steel, cement, ready-mixed concrete, tiles, aluminum windows, steel structures, etc., except for the contract specifications by the owner to supply, the rest are self-purchased, according to the actual needs of the various construction projects contracted, respectively, before the start of construction and suppliers to sign procurement contracts to clarify project needs and clarify the relevant responsibilities, in order to control the supply of goods. In the procurement of steel bars, steel sheet and other key materials, we first compare with domestic inventory prices to determine the timing of bulk purchases, bulk materials to be combined with the contract (centralized purchase) as one of the raw material fluctuations to ensure excellent quality and reasonable prices of raw materials, the rest of the raw materials are referred to the international economic dynamics and fluctuations, every six months to propose the second half of the bulk materials and labor market forecasts, as a new project bidding and Cost control.

3. Department store segment: Not Applicable.

(IV) The names of customers who accounted for more than 10% of the total amount of goods imported (sold) in any of the last two years, the amount and proportion of goods imported (sold), and the reasons for their increase or decrease:

1. List of major trade creditors:

Unit: NT$ 1,000

	2020				2021				Current Fiscal Year (2022) up to March 31, 2022 (Note 1)			
Item	Name (Note 2)	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer	Name (Note 2)	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer	Name (Note 2)	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer
	Others	15,871,259	100	None	Others	11,062,739	100	None	Others	3,045,991	100	None

Note 1: The financial data as of March 31, 2022 has been reviewed by the CPAs.

Note 2: During this period, there was no single supplier accounting for more than 10% of the total purchase amount.

2. List of major export counterparties:

Unit: NT$ 1,000

	2020				2021				Current Fiscal Year (2022) up to March 31, 2022 (Note 1)			
Item	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer
1	Taiwan Semiconductor Manufacturing Co., Ltd.	3,450,023	12.62	None	Taiwan Semiconductor Manufacturing Co., Ltd.	2,778,721	11.03	None	Others	4,981,047	100	None
2	Others	23,895,382	87.38	None	Others	22,412,417	88.97	None				

Note 1: The financial data as of March 31, 2022 has been reviewed by the CPAs.

Note 2: The building operation segment of the Consolidated Company will focus on some customers in a certain period of time due to the large amount of projects involved and the duration of the project is 1-3 years, and the total contract amount of some projects is relatively large. This is due to the nature of the industry. However, the engineering project of the building operation segment of the Consolidated Company are all obtained through competitive bidding or negotiation, and the major customers change with the construction and completion of the construction cases. Therefore, in the medium and long term, the Consolidated Company should have no centralized risk of general manufacturing sales.

(V) Table of production volume and value in the last two years:

Unit: NT$ 1,000

Year / Production volume and value / Category	2020			2021		
	Capacity	Volume	Value	Capacity	Volume	Value
Real estate	-	527	12,601,628	-	219	11,536,161
Project contract	-	-	7,625,078	-	-	6,633,011
Goods, services and others	-	-	8,088	-	-	4,611
Total	-	-	20,234,794	-	-	18,173,783

Note:

1. The real estate production is calculated based on the number of households completed in the current year.
2. The production value is calculated based on the total operating cost for the current year.

(VI) Table of sales volume in recent two years:

Unit: NT$ 1,000

Year / Sales volume / Category	2020				2021			
	Domestic Sales		Foreign Sales		Domestic Sales		Foreign Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Real estate	798	16,776,116	-	-	298	15,886,329	-	-
Project contract	-	9,204,070	-	-	-	8,123,899	-	-
Goods, services and others	-	1,365,219	-	-	-	1,180,910	-	-
Total	-	27,345,405	-	-	-	25,191,138	-	-

Note:

1. The sales volume of real estate is calculated based on the number of households spent in that year.
2. The sales value is calculated according to the operating income for the current year.

III. Information on Employees in the Last Two Years as of the Date of this Annual Report

Year		2020	2021	Current Fiscal Year (2022) up to March 31, 2022
Number of employees	Engineering personnel	407	410	422
	Administrative personnel	488	509	475
	Total	895	919	897
Average Age		38.31	38.78	39.80
Average Service Year		5.13	4.83	5.13
Highest education attainment ratio	PhD	0.00%	0.00%	0.00%
	Master's	19.22%	17.52%	17.28%
	Bachelor's	77.54%	78.78%	78.71%
	High school	3.24%	3.70%	4.01%
	Below high school	0.00%	0.00%	0.00%

IV. Information of Environment Protection Expenses:

(I) An explanation of the application, payment or establishment of a pollution facility installation permit or a pollution discharge permit, or the payment of pollution prevention and control fees, or the establishment of a dedicated environmental protection unit, as required by law and order:

The building operation segment of the Consolidated Company has an occupational safety room (sanitation team) to supervise the environmental protection matters at various construction sites. Each construction site shall be provided with a qualified safety and health personnel in accordance with laws and regulations to be responsible for the environmental protection of the construction site. Relevant air pollution prevention and control expenses of the building operation segment of the Consolidated Company shall be borne by the owner, while the construction operation segment shall pay NT$172,000 in 2021.

(II) The Company's investment in major equipment for the prevention and control of environmental pollution, its uses and possible benefits:

The Consolidated Company only requires the building operation segment to install environmental pollution prevention equipment during the construction process, and the relevant equipment is purchased and operated by the contractor. The building operation segment of the Consolidated Company has a safety and health personnel at each site to conduct regular or irregular inspections. If any defects are found, the contractor shall be required to make improvement immediately.

(III) The Company's progress in improving environmental pollution in the last two years and up to the date of publication of the annual report; If there is a pollution dispute, it shall explain the handling process: None.

(IV) The total amount of losses and penalties incurred due to environmental pollution in the last two years and up to the date of publication of the annual report:

Unit: NT$ 1,000

Year	2020	2021	Current Fiscal Year (2022) up to March 31, 2022
Pollution events	Violation of Waste Disposal Act and Air Pollution Control Act	Violation of Waste Disposal Act and Air Pollution Control Act	Violation of Waste Disposal Act and Air Pollution Control Act
Amount of punishment	4	-	-

The Consolidated Company values environmental protection and environmental sustainability. In addition to using low-noise machinery and equipment to perform work and adopting pollution prevention measures in accordance with the law to maintain the construction environment and prevent pollution from spilling into the work area, the Consolidated Company also employs staff to enhance cleaning and maintain a tidy and clean environment and implement the 5S system. In the last two years, most of the pollution penalties were caused by dust from excavation works and gravel trucks polluting the roads near the construction sites. However, the above-mentioned fines are mostly paid on behalf of the contractor, and most of the fines can be recovered from the contractor after the payment. Therefore, no major environmental disputes or losses have occurred.

(V) Future countermeasures and possible expenditures:

1. Future countermeasures:

Based on the recent increase in environmental awareness and the concept of sustainable environmental management, the Consolidated Company has considered pollution prevention and environmental protection as its business responsibility. In the process of construction, the provisions of relevant environmental protection laws and regulations are followed to strictly require contractors to do a good job in environmental protection in order to reduce pollution penalties. To ensure the engineering environmental quality and maintain public health, in addition to adding pollution prevention equipment, the following specific measures are implemented:

(1) Implementation of environmental protection facilities for construction projects, such as site fences, sound-proof canvas, dust-proof nets, canvas, sloping hedges, garbage ducts, dust spill prevention and waste removal by legal environmental protection companies.

(2) Regularly and irregularly maintain the existing drainage system around the construction project and actively consult with environmental protection agencies to maintain the roads around the construction project and maintain them.

(3) Actively select and introduce low-noise and low-pollution machinery and work methods to reduce the impact on the surrounding environment and neighboring houses of the construction. Control the working hours of vehicles and heavy machinery to reduce noise and avoid nuisance to neighboring residents.

(4) Noise, waste and water prevention and control clauses are explicitly required in the contracts for professional manufacturers.

(5) Establish site environmental protection specific practices and assign personnel responsible for environmental protection operations.

(6) In line with the needs of the project organizers/owners, the building planning and construction period can comply with nine major indicators, including greenery, water conservation, water resources, daily energy saving, carbon dioxide reduction, waste reduction, sewage and waste improvement, biodiversity and indoor environment, with the goal of environmental sustainability and construction towards "ecology, energy saving, waste reduction and health".

(7) According to the needs of the project organizers/owners, priority is given to products that have less impact on the environment, so that the materials used in the construction should conform to recyclable, low-pollution, and resource-saving products as much as possible.

(8) In line with the government's new energy policy of "Initiating Energy Transformation and Electricity Reform" to promote energy conservation and improve energy efficiency, we are gradually replacing the old traditional luminaires and fluorescent lamps and procuring more durable and energy-efficient LED lamps and tubes with higher costs, and using area lighting plans in the corridor area and adequate lighting configurations in the office area (desk). According to the area and the actual needs of lighting division, in order to achieve energy-saving purposes.

(9) In line with the government's "National Action Plan for Climate Change" to respond to the policy direction of climate change, we intend to include the carbon dioxide emissions generated during the five stages of the construction lifecycle, including the production and transportation of building materials, construction, building use, repair and renewal, and demolition and disposal, into the calculation and evaluation of the carbon footprint of buildings. To achieve the goal of carbon reduction, the company is able to diagnose the hot spots of carbon labeling and carbon emission, and to achieve the goal of "carbon reduction" with the production of new building materials, the development of new methods and the reduction of transportation and consumption.

(10) We will integrate the ESG goals set by various departments, promote paperless and building information modeling to reduce carbon emissions, develop and prioritize the use of supply

chain vendors that participate in ESG, incorporate E&M planning and training courses into green energy analysis training or seminars, continue to promote the construction project to build a face recognition access control system to ensure employee eligibility and safety, and actively promote workplace wellness by hiring nursing staff and contracted professional physicians to provide health care for our employees.

2. Possible future expenditures: None.

(VI) The current pollution situation and the impact of its improvement on the Company's surplus, competitive position and capital expenditure, as well as the expected major environmental capital expenditure in the next two years: None.

V. Labor Relations:

(I) The Company's various employee welfare measures, continuing education, training, retirement system and its implementation, as well as the agreements with employees as an employer and various employee rights protection measures:

1. Staff welfare measures:

The Consolidated Company has a staff welfare committee, which is responsible for the planning and implementation of various staff welfare programs. The main welfare measures and implementation are as follows:

(1) Gifts for Dragon Boat Festival, Mid-Autumn Festival, birthday, marriage and childbearing.

(2) Payment of subsidies for bereavement, injury, hospitalization and major disasters, etc.

(3) Provision of health check-up, group insurance and preferential housing purchase benefits.

(4) Organizing various activities such as sports games.

(5) Planning travel subsidy scheme.

(6) Allocate and distribute remuneration to employees according to the Articles of Incorporation.

(7) Provide energy refreshments in the pantry, set up electric massage chairs and energy refill bars (vending machines) to revitalize the friendly workplace.

2. Staff further education and training system:

The Human Resources Department of the Administrative Department of the Consolidated Company formulates an education and training plan every year according to business development and staff career needs. Each employee needs to attend at least 12 hours of training courses each year. The overall training type is divided into internal and external training, and the training scope is summarized as new recruits, general knowledge, management knowledge and ability, professional skills training and further training subsidies, etc. The implementation situation is as follows:

(1) Internal training: Senior or specially trained staff will serve as lecturers to impart their own experience and professional knowledge.

(2) External training: Participate in professional courses offered by business management consulting companies, educational training institutions and government agencies, and provide employees with subsidies for external training in accordance with regulations every year.

(3) Training for new recruits: Introduce the organization and system, work rules and duties, explain the operation rules and procedures, and conduct regular assessment and supervise the new recruits to write a report after the probation period expires.

(4) General training: Training courses are available to all staff, such as "Writing of Document and Signature", "Talk on 'Three Highs' and Metabolic Syndrome", "Talk on Toxicity in Life and

Easy Life without Toxicity" and "Talk on New Trends in Smart Living Space in Post-epidemic World".

(5) Management knowledge and ability training: Professional training courses are offered for middle and high-level employees from time to time.

(6) Professional skill training: In order to enhance the overall strength, employees are encouraged to attend professional skill training courses and obtain professional certificates, and return to training regularly.

(7) Continuing education subsidy: Select and send outstanding employees to study in domestic universities, and the Company will subsidize their tuition and miscellaneous fees according to regulations.

3. Code of Conduct and Ethics for Employees:

All employees of the Consolidated Company shall abide by laws and regulations and the company's internal control system when handling the company's affairs, and adhere to personal integrity and social ethics standards in order to safeguard the company's assets, rights and image. Its scope covers the following items:

(1) Protection of Confidential Information: Each employee of the Consolidated Company is required to sign a "Staff Security Statement" upon arrival, promising not to disclose the company's business secrets in any form during his tenure or after leaving office.

(2) No attempt to gain personal interest: Each employee of the Consolidated Company shall not attempt to gain personal gain through the use of the company's property, information or by taking advantage of his/her position, and shall not run the company's similar businesses for himself/herself or for others.

(3) Not to ask for improper benefits: Each employee of the Consolidated Company is not allowed to ask for gifts, kickbacks, entertainment or other improper benefits from the company's customers, nor is the supervisor allowed to accept any form of gifts from his subordinates.

(4) Fair Trading Standard: Each employee of the Consolidated Company shall treat the company's incoming (outgoing) customers, competitors and employees fairly.

(5) Insider trading is strictly prohibited: Each employee of the Consolidated Company is not allowed to use insider information obtained from the execution of the business to profit others or seek personal gain. The Company's financial and business information shall not be published without permission or disclosure, so as not to affect the rights and interests of other shareholders.

4. Retirement system:

The Consolidated Company has retirement rules for formally employed employees. The retirement conditions, pension payments and calculation methods of employees shall be handled in accordance with the Labor Standards Law, Labor Pension Regulations and relevant laws and regulations.

The new pension system under the "Labor Pension Act" is a defined contribution system. The pension shall be paid by the Consolidated Company at a monthly rate of not less than 6% of the employee's monthly salary and stored in the special personal pension account of the Labor Insurance Bureau.

The old pension system of the "Labor Standards Act" is a defined benefit system. At the time of approval of retirement, two bases will be given for each full year of the employee's working experience, but for more than 15 years of working experience, one base will be given for each full year, with a total of up to 45 bases. The pension payment is calculated by multiplying the above base standard by the average monthly salary for the six months prior to the approved retirement date. At present, the Consolidated Company allocates employee retirement reserve at 2% of the total monthly salary of employees, and supplements the retirement reserve in accordance with Item

2 of Article 56 of the Labor Standard Act. The special account is stored in the Bank of Taiwan.

5. Work environment and personal safety protection measures for employees:

The Consolidated Company is committed to providing employees with a safe, healthy and comfortable working environment. In addition to continuing to handle various safety and health education and training, publicity and drills, the Consolidated Company also provides group insurance, labor insurance, national health insurance and health examination for all employees. Relevant measures are as follows:

(1) Abide by safety and health-related laws and other requirements, regularly carry out office or work environment tests, and participate in relevant activities organized by the North District Labor Inspection Bureau of the Labor Committee.

(2) Set up fire fighting equipment and firefighter organizations that meet the regulations and standards, regularly check the equipment status, and report the annual fire fighting equipment safety inspection report on time.

(3) Carry out labor safety and health education and training, propaganda and drills from time to time, and encourage employees to obtain labor safety and health and fire control related certificates.

(4) Provide staff with a health check-up every year at the company's expense.

(5) In line with the requirements of labor health protection rules, the building operation segment continued to promote the occupational health of employees. On December 2, 2018, the building operation segment was certified for "ISO 45001 Occupational Safety and Health Management" by the international certification authority SGS.

(II) Agreements with employees and employer:

The labor relations of the Consolidated Company have always been harmonious and harmonious. There is no labor dispute, so there is no labor agreement.

(III) Losses suffered as a result of labor disputes in the latest year and up to the date of publication of the annual report, and the estimated amount of losses that may occur at present and in the future and the corresponding measures:

The Consolidated Company has no labor disputes, so this subparagraph is not applicable.

VI. Important contracts:

March 31, 2022

Contract nature	Parties	Starting and Ending Dates of Contracts	Main contents	Restrictions
Lease	Pingdong Water Conservancy Association of Taiwan Province	40 years (From 2000 to 2040)	Address: Sub-sec. 3, Gongyuan Sec., Pingtung County 900, Taiwan (R.O.C.) Annual rent: calculated at 10% of the declared land price Royalties: NT$63,000,000	None
Co-built shared house	8 people including Mr. Huang	Expected year of completion: 2022	Project ID: 103C Address: Sanchong Sec., Sanchong Dist., New Taipei City 241, Taiwan (R.O.C.) Bond: NT$22,800,000	None
Co-built shared house	6 people including Mr. Huang	Expected year of completion: 2023	Project ID: 104A Address: Wuguwang Sec., Sanchon Dist., New Taipei City 241, Taiwan (R.O.C.) Bond: NT$20,000,000	None
Co-built shared house	Ocean Plastics Co., Ltd. Changxin Xinye Co., Ltd.	Expected year of completion: 2026/2029	Project ID: 104B/104C Address: Jiankan Sec., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)	None
Urban renovation	Taipei City Government	Expected year of completion: 2023	Project ID: 106A Address: Bei'an Sec., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.) Bank Guarantee Letter: NT$100,000,000	None
Urban renovation	Taipei City Government	Expected year of completion: 2023	Project ID: 106B Address: Rui'an Sec., Da'an Dist., Taipei City 06, Taiwan (R.O.C.) Bank Guarantee Letter: NT$300,000,000	None
Jointly developed and invested	1st Engineering Office, Department of Rapid Transit Systems, Taipei City Government	Expected year of completion: 2024	Project ID: 108A Address: Guodao Sec., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.) Bank Guarantee Letter: NT$55,990,000	None
Urban renovation	Taipei City Urban Regeneration Center, a corporate body	Expected year of completion: 2025	Project ID: 108B Address: Dunhua Sec., Songshan Dist., Taipei City 105, Taiwan (R.O.C.) Bank Guarantee Letter: NT$300,000,000	None
Co-built shared house	43 people including A.B.C. Machinery Industrial Co., Ltd.	Expected year of completion: 2026	Project ID: 108C Address: Chih-Hsing Sec., Wanhua Dist., Taipei City 105, Taiwan (R.O.C.)	None
Jointly developed and invested	Department of Rapid Transit Systems, New Taipei City	Expected year of completion: 2024	Project ID: 109A Address: Xiulangqiao Station, New Taipei Ring Line Bond: NT$6,838,000 Bank Guarantee Letter: NT$68,381,000	None
Co-built shared house	Dong An Asset Development and Management Co. Ltd.	Expected year of completion: 2028	Project ID: 110A Address: Hongfu Sec., Xinzhuang Dist., New Taipei City 235, Taiwan (R.O.C.) Bond: NT$350,000,000	None
Jointly developed and invested	Taichung City Government	Expected year of completion: 2025	Project ID: 110B Address: Chungren Sec., Xitun Dist., Taichung City 407, Taiwan (R.O.C.) Bond: NT$51,361,000	None

Contract nature	Parties	Starting and Ending Dates of Contracts	Main contents	Restrictions
Urban renovation	New Taipei City Government	Expected year of completion: 2028	Project ID: 110C Address: Fuzhong Section, Banqiao District, New Taipei City Bond: NT$5,000,000 Bank Guarantee Letter: NT$20,000,000	None
Urban renovation	Taiwan Power Company	Expected year of completion: 2028	Project ID: 110D Address: Yucheng Section, Nangang District, Taipei City Bank Guarantee Letter: NT$350,000,000	None
Project contracting	New Construction Office, Public Works Department, Taipei City Government	Expected year of completion: 2023	Turnkey project of Nanmen Market and Nanhu Elementary Sports Center	None
Project contracting	Railway Bureau, MOTC	Expected year of completion: 2025	C212 Standard Tainan Station Underground Project	None
Project contracting	New Construction Office, Taoyuan City Government	Expected year of completion: 2023	Turnkey Project of Tawoyuan Convention and Exhibition Center	None
Project contracting	Northern Engineering Office of Railway Bureau, MOTC	Expected year of completion: 2026	Jiayi Plan Railway Viaduct and Planar Road Project under Bridge of Bid C611 Jiayi Urban Railway Viaduct Plan	None
Project contracting	TSMC	Expected year of completion: 2022	New construction of TSMC F18P6 FAB shell structure	None
Project contracting	TSMC	Expected year of completion: 2022	New construction support project of TSMC F18P4 Office building	None
Project contracting	National Housing and Urban Renovation Center	Expected year of completion: 2025	Turnkey Project of new Social Housing (Phase I) and National Army Duty Dormitory in Zhongshan Section, Taishan, New Taipei City	None
Project contracting	TSMC	Expected year of completion: 2022	New construction of TSMC Zero Waste Center	None
Project contracting	TSMC	Expected year of completion: 2022	New construction of TSMC F18P8 CUP	None
Project contracting	General Bureau of Highways, Ministry of Transportation and Communications	Expected year of completion: 2025	Reconstruction of Houlong Guanhai Bridge and Xihuxi Bridge of Taichung Line 61	None
Project contracting	Central Engineering Office of Railway Bureau, MOTC	Expected year of completion: 2027	Construction of Chiapei Elevated Station, Chiayi Elevated Station and Tropic of Cancer Station under Chiayi Urban Railway Elevation Project C612	None
Project contracting	TSMC	Expected year of completion: 2022	New construction of TSMC Zhunan Advanced Assembly and Testing Plant (FAB) II	None
Project contracting	TSMC	Expected year of completion: 2022	New construction of TSMC Zhunan Advanced Packaging and Testing Plant II (CUP)	None
Lease	Yasuo Development Co., Ltd.	20 years from the date of operation commencement (From 2015 to 2035)	Address: No. 8 (Shopping Mall), Fuxing 1st Rd., Guishan Dist., Taoyuan City 333, Taiwan (R.O.C.) Bank Guarantee Letter: NT$50,000,000	None

Contract nature	Parties	Starting and Ending Dates of Contracts	Main contents	Restrictions
Lease	Taiwan Bureau of Railway, Ministry of Transport	Term of operation: 15 years (From 2009 to 2025)	Address: The commercial space from 1F underground to 2F on the ground and on 24F and 25F of the shopping mall in Banqiao Station Building on both east and west sides. Bank Guarantee Letter: NT$61,550,000	None
Lease	Taiwan Bureau of Railway, Ministry of Transport	Term of operation: 12 years (From 2011 to 2023)	Address: The commercial space from 1F underground to 4F on the ground of the shopping mall in Xinzuoying Station Building on both east and west sides. Bank Guarantee Letter: NT$3,000,000	None
Lease	High-speed Railway Engineering Bureau, Ministry of Transport	20 years from the date of contracting (From 2016 to 2036)	Address: 1F-4F on the ground in Linkou Station Gongkai Building for the Rapid Transit System outside Taoyuan International Airport Bank Guarantee Letter: NT$29,000,000	None
Lease	Taiwan Bureau of Railway, Ministry of Transport	Term of operation: 15 years (From 2015 to 2030)	Address: No. 313, Sec. 1, Nangang Rd., Nangang Dist., Taipei City 115, Taiwan (R.O.C.) Bank Guarantee Letter: NT$20,000,000	None
Lease	High-speed Railway Engineering Bureau, Ministry of Transport	20 years from the date of contracting (From 2020 to 2040)	Address: Shopping Mall, A19 Station, MRT System, Taoyuan International Airport, Taiwan (R.O.C.) Bank Guarantee Letter: NT$60,000,000	None

Chapter 6 Financial Highlights

I. Condensed Balance Sheet, Income Statement and CPA's Auditing Opinions for the Last Five Years:

(I) Condensed Balance Sheet:

1. Consolidated financial statements:

Unit: NT$ 1,000

Item / Year		Financial Data for the Most Recent Five Fiscal Years (Note 1)					Current Fiscal Year (2022) up to March 31, 2022 (Note 2)
		2017	2018	2019	2020	2021	
Current assets		41,365,192	43,341,299	45,563,542	46,414,826	43,223,807	44,277,639
Property, plant and equipment		7,749,670	6,979,157	6,703,794	6,586,166	6,503,236	6,515,514
Intangible assets		92,128	52,212	42,830	49,236	54,404	53,231
Other assets		898,561	790,640	3,514,799	4,326,813	4,066,996	3,871,543
Total assets		50,105,551	51,163,308	55,824,965	57,377,041	53,848,443	54,717,927
Current liabilities	Before distribution	31,253,464	30,898,165	31,849,885	30,183,305	24,544,862	25,623,136
	After distribution	31,505,360	31,401,956	32,605,572	31,392,403	Note 3	-
Non-current liabilities		5,790,679	6,697,580	9,562,171	9,828,179	9,307,948	8,124,637
Total liabilities	Before distribution	37,044,143	37,595,745	41,412,056	40,011,484	33,852,810	33,747,773
	After distribution	37,296,039	38,099,536	42,167,743	41,220,582	Note 3	-
Equity attributable to owners of parent		11,346,965	11,836,993	12,627,504	15,237,901	17,562,761	18,393,883
Equity capital		5,037,910	5,037,910	5,037,910	5,037,910	5,541,701	5,541,701
Capital surplus		1,363,148	1,368,865	1,379,873	1,396,097	1,421,924	1,422,479
Retained earnings	Before distribution	5,049,624	5,526,960	6,306,721	8,902,937	10,697,059	11,527,414
	After distribution	4,797,728	5,023,169	5,551,034	7,693,839	Note 3	-
Other equity interest		(32,521)	(25,546)	(25,804)	(27,847)	(26,727)	(26,515)
Treasury stock		(71,196)	(71,196)	(71,196)	(71,196)	(71,196)	(71,196)
Non-controlling interests		1,714,443	1,730,570	1,785,405	2,127,656	2,432,872	2,576,271
Total equity	Before distribution	13,061,408	13,567,563	14,412,909	17,365,557	19,995,633	20,970,154
	After distribution	12,809,512	13,063,772	13,657,222	16,156,459	Note 3	-

Note 1: All financial data from 2017 to 2021 have been audited and attested by the CPAs.

Note 2: The financial data as of March 31, 2022 has been reviewed by the CPAs.

Note 3: The earnings distribution plan for the year 2021 has not been resolved and adopted by the shareholders' meeting.

2. Individual financial statements:

Unit: NT$ 1,000

Item \ Year		2017	2018	2019	2020	2021	Current Fiscal Year (2022) up to March 31, 2022
		Financial Data for the Most Recent Five Fiscal Years (Note 1)					
Current assets		34,724,290	38,078,347	38,504,920	37,752,737	33,051,282	-
Property, plant and equipment		294,104	288,059	280,822	280,130	283,095	-
Intangible assets		1,460	162	2,274	1,334	474	-
Other assets		5,077,293	4,746,771	5,040,808	5,511,223	5,718,576	-
Total assets		40,097,147	43,113,339	43,828,824	43,545,424	39,053,427	-
Current liabilities	Before distribution	26,170,566	27,699,081	26,662,559	24,269,349	17,457,855	-
	After distribution	26,422,462	28,202,872	27,418,246	25,478,447	Note 2	-
Non-current liabilities		2,579,616	3,577,265	4,538,761	4,038,174	4,032,811	-
Total liabilities	Before distribution	28,750,182	31,276,346	31,201,320	28,307,523	21,490,666	-
	After distribution	29,002,078	31,780,137	31,957,007	29,516,621	Note 2	-
Equity attributable to owners of parent		11,346,965	11,836,993	12,627,504	15,237,901	17,562,761	-
Equity capital		5,037,910	5,037,910	5,037,910	5,037,910	5,541,701	-
Capital surplus		1,363,148	1,368,865	1,379,873	1,396,097	1,421,924	-
Retained earnings	Before distribution	5,049,624	5,526,960	6,306,721	8,902,937	10,697,059	-
	After distribution	4,797,728	5,023,169	5,551,034	7,693,839	Note 2	-
Other equity interest		(32,521)	(25,546)	(25,804)	(27,847)	(26,727)	-
Treasury stock		(71,196)	(71,196)	(71,196)	(71,196)	(71,196)	-
Non-controlling interests		-	-	-	-	-	-
Total equity	Before distribution	11,346,965	11,836,993	12,627,504	15,237,901	17,562,761	-
	After distribution	11,095,069	11,333,202	11,871,817	14,028,803	Note 2	-

Note 1: All financial data from 2017 to 2021 have been audited and attested by the CPAs.

Note 2: The earnings distribution plan for the year 2021 has not been resolved and adopted by the shareholders' meeting.

(II) Brief Statement of Comprehensive Income

1. Consolidated financial statements:

Unit: NT$ 1,000

Year / Item	Financial Data for the Most Recent Five Fiscal Years (Note 1)					Current Fiscal Year (2022) up to March 31, 2022 (Note 2)
	2017	2018	2019	2020	2021	
Operating revenue	9,932,819	14,435,680	15,326,899	27,345,405	25,191,138	4,981,047
Gross profit from operations	2,798,915	3,999,126	4,028,294	7,110,611	7,017,355	1,657,546
Operating benefits	842,741	1,909,901	2,198,729	5,168,832	5,164,397	1,161,867
Non-operating income and expenditure	(112,355)	(829,483)	(384,465)	(280,033)	(185,711)	(45,630)
Net income before tax	730,386	1,080,418	1,814,264	4,888,799	4,978,686	1,116,237
Continuing business units Profit	477,050	673,313	1,546,223	3,905,137	4,077,333	973,485
Loss on closed operations	-	-	-	-	-	-
Current net gains (losses)	477,050	673,313	1,546,223	3,905,137	4,077,333	973,485
Other comprehensive income (loss) for the year (net after tax)	(12,406)	8,791	1,185	(3,768)	(691)	309
Total comprehensive income (loss) for the years	464,644	682,104	1,547,408	3,901,369	4,076,642	973,794
Net profit attributable to owners of the parent company	346,285	507,248	1,283,526	3,353,971	3,508,103	830,355
Net profit attributable to Non-controlling interests	130,765	166,065	262,697	551,166	569,230	143,130
Total comprehensive gains/losses attributable to owners of the parent company	337,162	515,347	1,283,294	3,349,860	3,508,131	830,567
Total comprehensive gains/losses attributable to non-controlling equity interests	127,482	166,757	264,114	551,509	568,511	143,227
Earnings per share (NT$)	0.70	1.03	2.60	6.18	6.47	1.53

Note 1: All financial data from 2017 to 2021 have been audited and attested by the CPAs.

Note 2: The financial data as of March 31, 2022 has been reviewed by the CPAs.

2. Individual financial statements:

Unit: NT$ 1,000

Item \ Year	Financial Data for the Most Recent Five Fiscal Years (Note)					Current Fiscal Year (2022) up to March 31, 2022
	2017	2018	2019	2020	2021	
Operating revenue	4,779,614	7,502,772	8,117,436	17,185,011	16,105,554	-
Gross profit from operations	982,455	1,961,809	2,032,247	4,583,383	4,569,393	-
Operating benefits	469,079	1,179,315	1,329,758	3,771,698	3,949,085	-
Non-operating income and expenditure	(10,176)	(476,396)	131,028	365,537	247,706	-
Net income before tax	458,903	702,919	1,460,786	4,137,235	4,196,791	-
Continuing business units Profit	346,285	507,248	1,283,526	3,353,971	3,508,103	-
Loss on closed operations	-	-	-	-	-	-
Profit	346,285	507,248	1,283,526	3,353,971	3,508,103	-
Other comprehensive loss (net of taxes)	(9,123)	8,099	(232)	(4,111)	28	-
Total comprehensive income (loss) for the years	337,162	515,347	1,283,294	3,349,860	3,508,131	-
Net profit attributable to owners of the parent company	346,285	507,248	1,283,526	3,353,971	3,508,103	-
Net profit attributable to Non-controlling interests	-	-	-	-	-	-
Total comprehensive gains/losses attributable to owners of the parent company	337,162	515,347	1,283,294	3,349,860	3,508,131	-
Total comprehensive gains/losses attributable to non-controlling equity interests	-	-	-	-	-	-
Earnings per share (NT$)	0.70	1.03	2.60	6.18	6.47	-

Note: All financial data from 2017 to 2021 have been audited and attested by the CPAs.

(III) Name and Auditing Opinions of the CPAs for the Last Five Years:

Year	Independent Auditor	Audit Opinion
2017	Di-Nuan, Chien and Shu-Ying Chang	No unqualified opinion included
2018	Di-Nuan, Chien and Shu-Ying Chang	No unqualified opinion included
2019	Di-Nuan, Chien and Shu-Ying Chang	No unqualified opinion included
2020	I-Lien, Han and Ti-Nuan, Chien	No unqualified opinion included
2021	I-Lien, Han and Ti-Nuan, Chien	No unqualified opinion included

II. Financial Analysis for the Last Five Years:

(I) Consolidated financial statements:

Item	Year	Financial Analysis for the the Most Recent Five Fiscal Years (Note 1)					Current Fiscal Year (2022) up to March 31, 2022 (Note 2)
		2017	2018	2019	2020	2021	
Financial structure	Debt to asset ratio (%)	73.93	73.48	74.18	69.73	62.87	61.68
	Ratio of long-term funds to property, plant and equipment (%)	243.26	290.37	357.63	412.89	450.60	446.55
Solvency	Current ratio (%)	132.35	140.27	143.06	153.78	176.10	172.80
	Quick ratio (%)	34.33	30.96	36.08	53.95	81.01	82.93
	Interest coverage ratio (multiples)	4.12	3.48	5.03	14.33	16.80	16.56
Operating ability	Receivables turnover rate (times)	5.84	8.30	10.78	15.01	14.48	18.48
	Average days for cash collection	62.50	43.98	33.86	24.32	25.21	19.75
	Inventory turnover rate (Times)	0.25	0.33	0.34	0.63	0.68	0.58
	Payables turnover rate (Times)	1.84	2.42	2.32	3.72	3.12	2.39
	Average days for sale of goods	1,460.00	1,106.06	1,073.53	579.37	536.77	629.31
	Property, plant and equipment turnover (times)	1.29	1.96	2.24	4.12	3.85	3.06
	Total assets turnover rate (times)	0.21	0.29	0.29	0.48	0.45	0.37
Profitability	Return on assets (%)	1.44	2.02	3.56	7.42	7.78	7.60
	Return on equity (%)	3.63	5.06	11.05	24.58	21.83	19.01
	Net income before tax to paid-in capital ratio (%) (Note 8)	14.50	21.45	36.01	97.04	89.84	80.57
	Net profit ratio (%)	4.80	4.66	10.09	14.28	16.19	19.54
	Earnings per share (NT$)	0.70	1.03	2.60	6.18(Note9)	6.47	1.09
Cash flows	Cash flow ratio (%)	Note 3	6.30	10.04	32.75	36.82	7.69
	Cash flow sufficiency ratio (%)	41.76	58.26	88.96	167.54	247.47	447.83
	Cash re-investment ratio (%)	Note 3	7.40	10.23	30.66	24.42	6.16
Leverage	Operating leverage	3.03	1.85	1.65	1.29	1.31	1.35
	Financial leverage	1.39	1.30	1.26	1.08	1.06	1.07

In the last two years, the financial ratios increased or decreased by 20% or more due to the following reasons:

1. Quick ratio: Mainly due to the decrease in ending inventory and current liabilities.
2. Cash flow sufficiency ratio: Mainly due to the increase in net cash inflow from operating activities in the last five years.
3. Cash re-investment ratio: Mainly due to the increase in cash dividends allotted.

Note 1: All financial data from 2017 to 2021 have been audited and attested by the CPAs.

Note 2: The financial data as of March 31, 2022 has been reviewed by the CPAs.

Note 3: As the operating activities generated net cash outflows, the relevant ratio is not calculated.

Note 4: The calculation formula is as follows:

1. Financial structure
   (1) Ratio of liabilities to assets = Total liabilities/total assets.
   (2) Ratio of long-term funds to property, plant and equipment = (Total equity + non-current liabilities)/net property, plant and equipment.
2. Solvency
   (1) Current ratio = Current assets/current liabilities.
   (2) Quick ratio = (Current assets - inventory - advances)/current liabilities.
   (3) Interest coverage multiple = Net profit before Income tax and interest expenses/interest expenses in current period
3. Operating ability
   (1) Turnover rate of receivables (including accounts and notes receivable arising from operations) = Net sales/average receivable balance (including accounts and notes receivable arising from operations) in each period.
   (2) Average days for cash collection = 365/Turnover rate of receivables
   (3) Inventory turnover rate = Cost of goods sold/average inventory.
   (4) Turnover Rate of Payables (Including Accounts and Notes Payable Arising from Operations) = Cost of Goods Sold/Average Payables (Including Accounts and Notes payable Arising from Business) in Each Period.
   (5) Average days for sale = 365/Inventory turnover rate.
   (6) Turnover rate of property, plant and equipment = Net sales/Average net property, plant and equipment.
   (7) Total assets turnover ratio = Net sales/Average total assets.
4. Profitability
   (1) Return on assets =(After-tax profit/Loss+interest expense × (1-tax rate))/average total assets.
   (2) Return on equity = After-tax profit or loss/average total equity.
   (3) Net profit rate = After-tax profit or loss/Net sales
   (4) Earnings per share = (Profit or loss attributable to owners of the parent company - preferred share dividends)/Weighted average number of shares issued. (Note 5)
5. Cash flows
   (1) Cash flow ratio = Net cash flow from operating activities/Current liabilities.
   (2) Net Cash Flow Adequacy Ratio = Net Cash Flow from Operating Activities in the Last Five Years/(Capital expenses + Inventory Increase+ Cash Dividends) for the Last Five Years
   (3) Cash Reinvestment Ratio = (Net Cash Flow from Operating Activities-Cash Dividends)/(Gross Value of Immovable Property, Plant and Equipment+Long-term investment+ Other Non-current Assets + Working Capital (Note 6)
6. Leverage
   (1) Operating leverage = (Net operating Income - variable operating costs and expenses)/operating benefits (Note 7).
   (2) Financial leverage = Operating benefits/(operating benefits - interest expenses).

Note 5: In the above formula for calculating earnings per share, special attention shall be paid to the following when measuring:

1. The weighted average number of common shares shall prevail instead of the number of shares issued at the end of the year.
2. For cash capital increase or treasury stock transactions, the weighted average number of shares shall be calculated considering the circulation period.
3. In capitalization of earnings or capital increase through capital reserves, the calculation of earnings per share for the previous year and half year shall be adjusted retroactively according to the proportion of capital increase, without considering the issue period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividends（ whether paid or not） for the current year shall be deducted or increased from the net income after tax or increased net loss after tax. If the preferred shares are non-cumulative in nature, the dividend of the preferred shares shall be deducted from the net income after tax if there is net income after tax. If it is a loss, no adjustment is necessary.

Note 6: In cash flow analysis, special attention shall be paid to the following matters when measuring:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the cash outflow of capital investment every year.

3. The increase in inventory will only be counted when the ending balance is greater than the opening balance. If the inventory decreases at the end of the year, it will be counted as zero.
4. Cash dividends include cash dividends of common shares and preferred shares.
5. Gross amount of property, plant and equipment refers to the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 7: The Issuer shall classify various operating costs and operating expenses as fixed and variable according to their nature. In case of estimation or subjective judgment, the Issuer shall pay attention to their rationality and maintain consistency.

Note 8: If the Company's shares have no par value or the par value of each share is not NT$ 10, the ratio of paid-in capital previously calculated shall be changed to the ratio of equity attributable to the owner of the parent company in the balance sheet.

Note 9: Earnings per share were retroactively adjusted for the no-compensation stock allotment. Earnings per share before adjustment was NT$6.80 and after adjustment was NT$6.18.

(II) Individual financial statements:

Item		Financial Analysis for the Most Recent Five Years (Note 1) 2017	2018	2019	2020	2021	Current Fiscal Year (2022) up to March 31, 2022
Financial structure	Debt to asset ratio (%)	71.70	72.54	71.19	65.01	55.30	-
	Ratio of long-term funds to property, plant and equipment (%)	4,708.19	5,351.08	6112.86	6881.12	7628.38	-
Solvency	Current ratio (%)	132.68	137.47	144.42	155.56	189.32	-
	Quick ratio (%)	17.78	17.72	21.63	36.50	66.98	-
	Interest coverage ratio (multiples)	3.61	2.96	5.26	17.02	20.53	-
Operating ability	Receivables Turnover Rate (%)	18.50	16.89	22.07	23.42	23.81	-
	Average days for cash collection	19.73	21.61	16.54	15.59	15.33	-
	Inventory turnover rate (Times)	0.13	0.18	0.19	0.41	0.46	-
	Payables turnover rate (Times)	2.32	2.12	2.16	5.04	5.80	-
	Average days for sale of goods	2,807.69	2,027.78	1921.05	890.24	793.48	-
	Property, plant and equipment turnover (times)	16.16	25.78	28.54	61.27	57.19	-
	Total assets turnover rate (times)	0.13	0.18	0.19	0.39	0.39	-
Profitability	Return on assets (%)	1.32	1.91	3.58	8.15	8.91	-
	Return on equity (%)	3.02	4.38	10.49	24.07	21.39	-
	Net income before tax to paid-in capital ratio (%) (Note 8)	9.11	13.95	29.00	82.12	75.73	-
	Net profit ratio (%)	7.25	6.76	15.81	19.52	21.78	-
	Earnings per share (NT$)	0.70	1.03	2.60	6.18(Note 9)	6.47	-
Cash flows	Cash flow ratio (%)	Note 2	5.79	3.87	28.51	47.42	-
	Cash flow sufficiency ratio (%)	30.33	36.51	51.26	113.78	194.72	-
	Cash re-investment ratio (%)	Note 3	8.69	3.05	31.74	32.51	-
Leverage	Operating leverage	1.57	1.26	1.23	1.10	1.09	-
	Financial leverage	1.60	1.44	1.35	1.07	1.06	-

In the last two years, the financial ratios increased or decreased by 20% or more due to the following reasons:
1. Current ratio: Mainly due to the decrease in current liabilities.
2. Quick ratio: Mainly due to the decrease in ending inventory and current liabilities.
3. Interest coverage ratio: Mainly due to the the decrease in interest expense.
4. Cash flow ratio: Mainly due to the significant increase in net cash inflow from operating activities and the decrease in current liabilities.
5. Cash flow sufficiency ratio: Mainly due to the increase in net cash inflow from operating activities in the last five years.

Note 1: All financial data from 2017 to 2021 have been audited and attested by the CPAs.

Note 2: As the operating activities generated net cash outflows, the relevant ratio is not calculated.

Note 3: Since the numerator is negative, it is not counted.

Note 4: The calculation formula is as follows:

1. Financial structure
   (1) Ratio of liabilities to assets = Total liabilities/total assets.
   (2) Ratio of long-term funds to property, plant and equipment = (Total equity + non-current liabilities)/net property, plant and equipment.
2. Solvency
   (1) Current ratio = Current assets/current liabilities.
   (2) Quick ratio = (Current assets - inventory - advances)/current liabilities.
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3. Operating ability
   (1) Turnover rate of receivables (including accounts and notes receivable arising from operations) = Net sales/average receivable balance (including accounts and notes receivable arising from operations) in each period.
   (2) Average days for cash collection = 365/Turnover rate of receivables
   (3) Inventory turnover rate = Cost of goods sold/average inventory.
   (4) Turnover Rate of Payables (Including Accounts and Notes Payable Arising from Operations) = Cost of Goods Sold/Average Payables (Including Accounts and Notes payable Arising from Business) in Each Period.
   (5) Average days for sale = 365/Inventory turnover rate.
   (6) Turnover rate of property, plant and equipment = Net sales/Average net property, plant and equipment.
   (7) Total assets turnover ratio = Net sales/Average total assets.
4. Profitability
   (1) Return on assets =(After-tax profit/Loss+interest expense × (1-tax rate))/average total assets.
   (2) Return on equity = After-tax profit or loss/average total equity.
   (3) Net profit rate = After-tax profit or loss/Net sales
   (4) Earnings per share = (Profit or loss attributable to owners of the parent company - preferred share dividends)/Weighted average number of shares issued. (Note 5)
5. Cash flows
   (1) Cash flow ratio = Net cash flow from operating activities/Current liabilities.
   (2) Net Cash Flow Adequacy Ratio = Net Cash Flow from Operating Activities in the Last Five Years/(Capital expenses + Inventory Increase+ Cash Dividends) for the Last Five Years
   (3) Cash Reinvestment Ratio = (Net Cash Flow from Operating Activities-Cash Dividends)/(Gross Value of Immovable Property, Plant and Equipment+Long-term investment+ Other Non-current Assets + Working Capital (Note 6)
6. Leverage
   (1) Operating leverage = (Net operating Income - variable operating costs and expenses)/operating benefits (Note 7).
   (2) Financial leverage = Operating benefits/(operating benefits - interest expenses).

Note 5: In the above formula for calculating earnings per share, special attention shall be paid to the following when measuring:

1. The weighted average number of common shares shall prevail instead of the number of shares issued at the end of the year.
2. For cash capital increase or treasury stock transactions, the weighted average number of shares shall be calculated considering the circulation period.
3. In capitalization of earnings or capital increase through capital reserves, the calculation of earnings per share for the previous year and half year shall be adjusted retroactively according to the proportion of capital increase, without considering the issue period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividends（ whether paid or not） for the current year shall be deducted or increased from the net income after tax or increased net loss after tax. If the preferred shares are non-cumulative in nature, the dividend of the preferred shares

shall be deducted from the net income after tax if there is net income after tax. If it is a loss, no adjustment is necessary.

Note 6: In cash flow analysis, special attention shall be paid to the following matters when measuring:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the cash outflow of capital investment every year.
3. The increase in inventory will only be counted when the ending balance is greater than the opening balance. If the inventory decreases at the end of the year, it will be counted as zero.
4. Cash dividends include cash dividends of common shares and preferred shares.
5. Gross amount of property, plant and equipment refers to the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 7: The Issuer shall classify various operating costs and operating expenses as fixed and variable according to their nature. In case of estimation or subjective judgment, the Issuer shall pay attention to their rationality and maintain consistency.

Note 8: If the Company's shares have no par value or the par value of each share is not NT$ 10, the ratio of paid-in capital previously calculated shall be changed to the ratio of equity attributable to the owner of the parent company in the balance sheet.

Note 9: Earnings per share were retroactively adjusted for the no-compensation stock allotment. Earnings per share before adjustment was NT$6.80 and after adjustment was NT$6.18.

III. Auditors' Report of 2020 from the Audit Committee:

The Audit Committee's Review Report for Kindom Development Co., Ltd.

Approval for

The Board of Director submitted the financial statements of the Company for the year 2020, and these statements were audited by KPMG Taiwan through the CPAs, I-Lien, Han and Ti-Nuan, Chien. The aforementioned financial statements, together with the Business Report and Earnings Distribution Table, have been reviewed by the Audit Committee and no discrepancies were found. A report has been prepared in accordance with Article 14-4 of the Securities & Exchange Act and Article 219 of the Company Act , we hereby submit this report.

Yours faithfully,

2021 Annual General Shareholders' Meeting Kindom Development Co., Ltd.

Convener of the Audit Committee: Hung-Chin Huang

March 26, 2021

IV. Consolidated Financial Report of 2021:

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 Taiwan

CPA:

Securities Competent Authority Approval No.	：	Jin-Guan-Zheng-Shen-Zi No. 1090332798 (88) Taiwan-Finance-Securities-(VI)-18311

March 25, 2022

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)

Chairman: Chih-Kang, Ma **General Manager: Ching-Chin, Hung** **Chief Accounting Officer: Shu-Lien, Chang**

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)

Chairman: **Chih-Kang, Ma** **General Manager:** **Ching-Chin, Hung** **Chief Accounting Officer:** **Shu-Lien, Chang**

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)

Chairman: Chih-Kang, Ma **General Manager: Ching-Chin, Hung** **Chief Accounting Officer: Shu-Lien, Chang**

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)

Chairman:	**General Manager:**	**Chief Accounting Officer:**
Chih-Kang, Ma	**Ching-Chin, Hung**	**Shu-Lien, Chang**

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)

Chairman:	General Manager:	Chief Accounting Officer:
Chih-Kang, Ma	Ching-Chin, Hung	Shu-Lien, Chang

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

<u>Construction</u>

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.

<u>Trading</u>

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	Proportion of ownership interest and voting right of non-controlling interests 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

	2021	2020
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)
꞉ 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)
꞉ 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	Net asset value (NT$2,914 thousand as of December 31, 2021)	· The higher the net asset value, the higher the fair value
Financial assets measured at FVTOCI - equity instruments without active market quotes	Comparable company valuation	Price/earnings ratio (22.3 as of December 31, 2020) Discount for lack of marketability (15% as of December 31, 2020)	· The higher the ratio, the greater the fair value. · The 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

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.

V. Parent Company Only Financial Report of 2021:

Independent Auditors' Report

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

Opinion

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

In our opinion, the aforementioned Parent Company Only Financial Statements present fairly, in all material respects, the financial position of Kindom Development Co., Ltd. as of December 31, 2021, and 2020, and its financial performance and 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."

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 Parent Company Only Financial Statements" section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit key matters refer to those most material key matters for the audit on the Parent Company Only Financial Statements of the year 2021 of Kindom Development Co., Ltd., based on the professional judgment of the accountant. These matters were addressed in the context of our audit of the Parent Company Only 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

Refer to Note 4(14) for the accounting policies on recognizing revenue and Note 6(20) for details of related disclosure.

Description of key audit matters:

Kindom Development Co., Ltd. engages 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 from real estate sales amounts to 99% of the Company's total revenue, which is material to the fair presentation of Parent Company Only Financial Statements. Consequently, the Kindom Development Co., Ltd.'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 Company’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. Inventory valuation

Refer to Note 4(7) for the accounting policies on inventory valuation, Note 5 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, Kindom Development Co., Ltd.’s inventory amounts to NT$21,328,692 thousand and accounts for 56% 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 Company’s net realizable value depends on the subjective judgment or estimation of the management. Therefore, inventory evaluation is one of the important evaluation items in the accountant’s auditing on the financial review of the Kindom Development Co., Ltd.

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 Kindom Development Co., Ltd.’s internal procedures and accounting processes over inventory valuation; obtaining the net realizable value of inventory performed by the Company as of the end of the reporting period; inspecting and performing sample testing on the comparable market data such as the most recent nearby transaction, registered sales prices of real estate published by contract prices of recent sales of the Company’s developments, the registered price with the 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.

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 Parent Company Only Financial Statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and for such internal control as management determines is necessary to enable the preparation of Parent Company Only Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Parent Company Only Financial Statements, the management is responsible for assessing the Kindom Development Co., Ltd.’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 Company 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only 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 Parent Company Only 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 Parent Company Only Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements, including the disclosures, and whether the Parent Company Only 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 on the investment in other entities accounted for using the equity method in order to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determined the key audit matters of the Parent Company Only Financial Statements of Kindom Development Co., Ltd. for 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 Taiwan

CPA:

Securities Competent Authority Approval No.	:	Jin-Guan-Zheng-Shen-Zi No. 1090332798 (88) Taiwan-Finance-Securities-(VI)-18311

March 25, 2022

Kindom Development Co., Ltd.
Parent Company Only Balance Sheets
As of December 31, 2021, and 2020

Unit: NT$ thousand

		2021.12.31		2020.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Notes 6(1) & (23))	$ 9,855,789	25	5,068,316	12
1110	Financial assets measured at fair value through profit or loss - current (Notes 6(2) & (23))	43,878	-	23,622	-
1141	Contract assets - current (Note 6(20))	39,235	-	394,633	1
1150	Net notes receivable (Notes 6(4) & (23))	-	-	355	-
1170	Net accounts receivable (Notes 6(4), (20) & (23))	120,179	-	1,232,054	3
1320	Inventories - construction (Notes 6(5) & 8)	21,328,692	56	28,851,383	66
1410	Prepayments	28,786	-	43,744	-
1476	Other financial assets - current (Notes 6(11), (20), (23) & 8)	1,565,806	4	1,995,393	5
1479	Other current assets, others	18,020	-	22,199	-
1480	Incremental costs of obtaining a contract - current (Note 6(11))	50,897	-	121,038	-
		33,051,282	85	37,752,737	87
	Non-current assets:				
1517	Financial assets measured at fair value through other gain or loss - non-current (Notes 6(3) & (23))	4,591	-	2,906	-
1550	Investments accounted for using the equity method (Notes 6(6) & 8)	5,244,133	13	5,033,683	11
1600	Property, plant and equipment (Notes 6(7) & 8)	283,095	1	280,130	1
1755	Right-of-use assets (Note 6(8))	3,294	-	3,884	-
1760	Investment-based real estate (Notes 6(9), (15) & 8)	466,558	1	470,750	1
1780	Intangible assets (Note 6(10))	474	-	1,334	-
		6,002,145	15	5,792,687	13
	Total assets	**$ 39,053,427**	**100**	**43,545,424**	**100**

		2021.12.31		2020.12.31	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term loans (Notes 6(12) & (23))	$ 14,279,725	37	14,941,351	34
2130	Contract liabilities - current (Note 6(20))	1,055,713	3	4,264,068	10
2150	Notes payable (Note 6(23))	43,258	-	54,625	-
2160	Notes payable - related parties (Notes 6(23) & 7)	176,942	-	1,119,596	3
2170	Accounts payable (Note 6(23))	536,877	1	595,097	1
2181	Accounts receivables - related parties (Notes 6 (23) & 7)	659,813	2	789,034	2
2200	Other payables (Note 6(23))	225,469	1	459,050	1
2230	Current tax liabilities	428,952	1	496,701	1
2251	Employee benefit liability reserve - non-current (Note 6(16))	2,884	-	2,849	-
2280	Lease liabilities - current (Notes 6(14) & (23))	3,344	-	3,924	-
2321	Bonds Payable or Put Option Execution - Current Portion (Notes 6(13) & (23))	-	-	1,500,000	4
2399	Other current liabilities - others	44,878	-	43,054	-
		17,457,855	45	24,269,349	56
	Non-current liabilities:				
2530	Corporate bonds payable (Notes 6(13) & (23))	4,000,000	10	4,000,000	9
2640	Net Defined Benefit Liability - Non-current (Note 6(16))	2,935	-	5,979	-
2645	Refundable deposits (Note 6(23))	1,042	-	3,447	-
2670	Other non-current liabilities - others	28,834	-	28,748	-
		4,032,811	10	4,038,174	9
	Total liabilities	21,490,666	55	28,307,523	65
	Equity (Note 6 (18)) :				
3100	Share capital	5,541,701	14	5,037,910	12
3200	Capital reserve	1,421,924	4	1,396,097	3
3300	Retained earnings	10,697,059	27	8,902,937	20
3400	Other equity	(26,727)	-	(27,847)	-
3500	Treasury stock	(71,196)	-	(71,196)	-
	Total equity	17,562,761	45	15,237,901	35
	Total liabilities and equity	**$ 39,053,427**	**100**	**43,545,424**	**100**

(Refer to the subsequent Notes to Parent Company Only Financial Statements)

Chairman: Chih-Kang, Ma **General Manager: Ching-Chin, Hung** **Chief Accounting Officer: Shu-Lien, Chang**

Kindom Development Co., Ltd.
Parent Company Only Statements of Comprehensive Income
From January 1 to December 31, 2021 and 2020

Unit: NT$ thousand

		2021 Amount	%	2020 Amount	%
4000	**Operating income (Notes 6 (15) & (20))**	$ 16,105,554	100	17,185,011	100
5000	**Operating Costs (Note 6(5))**	11,536,161	72	12,601,628	73
	Gross profit	4,569,393	28	4,583,383	27
5920	Less: Realized profit or loss on sales	85	-	85	-
	Gross profit from operations	4,569,308	28	4,583,298	27
	Operating costs (Notes 6(21) & 7):				
6100	Selling expenses	255,126	2	425,871	3
6200	General and administrative expenses	365,097	2	385,729	2
		620,223	4	811,600	5
	Net operating income	3,949,085	24	3,771,698	22
	Non-operating income and expenses:				
7100	Interest income (Note 6(22))	12,117	-	9,081	-
7010	Other income (Note 6(22))	1,680	-	1,243	-
7020	Other benefits and losses (Note 6(22))	31,575	-	23,715	-
7050	Finance costs (Notes 6(22))	(214,898)	(1)	(258,244)	(2)
7070	Share of the profit of subsidiaries, associates, and joint ventures accounted for using the equity method	417,232	3	589,742	4
		247,706	2	365,537	2
	Profit before tax from continuing operating department	4,196,791	26	4,137,235	24
7950	**Less: Income tax expense (Note 6(17))**	688,688	4	783,264	5
	Net income	3,508,103	22	3,353,971	19
8300	**Other comprehensive income:**				
8310	**Items that will not be reclassified subsequently to profit or loss:**				
8311	Remeasurements of defined benefit plans	(553)	-	(2,502)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,974	-	247	-
8330	Shares of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method - components of other comprehensive income that will not be reclassified subsequently to profit or loss	(262)	-	401	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8380	Shares of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method -components of other comprehensive income that may be reclassified subsequently to profit or loss	(1,131)	-	(2,257)	-
8300	**Other comprehensive loss (net of taxes)**	28	-	(4,111)	-
	Total comprehensive income for the year	**$ 3,508,131**	**22**	**3,349,860**	**19**
	Earnings per share (Note 6(19))				
9750	**Basic Earnings Per Share (NT$)**	**$ 6.47**		**6.18**	
9850	**Diluted Earnings Per Share (NT$)**	**$ 6.44**		**6.15**	

(Refer to the subsequent Notes to Parent Company Only Financial Statements)

Chairman: **Chih-Kang, Ma** | **General Manager:** **Ching-Chin, Hung** | **Chief Accounting Officer:** **Shu-Lien, Chang**

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

Unit: NT$ thousand

	Share capital		Retained earnings				Other equity interest			
	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
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
Net income	-	-	-	-	3,353,971	3,353,971	-	-	-	3,353,971
Other comprehensive income for the period	-	-	-	-	(2,068)	(2,068)	(2,257)	214	-	(4,111)
Total comprehensive income for the year	-	-	-	-	3,351,903	3,351,903	(2,257)	214	-	3,349,860
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)
Changes in equity of associates and joint ventures accounted for under the equity method	-	18	-	-	-	-	-	-	-	18
Changes in capital reserve from dividends paid to subsidiaries	-	15,938	-	-	-	-	-	-	-	15,938
Unclaimed dividends after effective period	-	268	-	-	-	-	-	-	-	268
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
Net income	-	-	-	-	3,508,103	3,508,103	-	-	-	3,508,103
Other comprehensive income for the period	-	-	-	-	(1,092)	(1,092)	(1,131)	2,251	-	28
Total comprehensive income for the year	-	-	-	-	3,507,011	3,507,011	(1,131)	2,251	-	3,508,131
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)
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
Changes in capital reserve from dividends paid to subsidiaries	-	25,501	-	-	-	-	-	-	-	25,501
Unclaimed dividends after effective period	-	289	-	-	-	-	-	-	-	289
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

(Refer to the subsequent Notes to Parent Company Only Financial Statements)

Chairman: Chih-Kang, Ma **General Manager: Ching-Chin, Hung** **Chief Accounting Officer: Shu-Lien, Chang**

Kindom Development Co., Ltd.
Parent Company Only 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	$	4,196,791	4,137,235
Adjustments:			
Adjustments to reconcile profit (loss)			
Depreciation		18,102	13,119
Amortization		860	940
Net gain on financial assets and liabilities measured at fair value through profit or loss		(19,121)	(177)
Interest expense		214,898	258,244
Interest income		(12,117)	(9,081)
Dividend income		(1,680)	(1,243)
Share of profit of subsidiaries, associates and joint ventures using equity method recognition		(417,232)	(589,742)
Gains on disposal of property, plant and equipment		-	(164)
Total adjustments to reconcile profit (loss)		(216,290)	(328,104)
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease (increase) in contract assets		355,398	(243,011)
Decrease in notes receivable		355	1,802
Decrease (increase) in accounts receivable		1,111,875	(998,965)
Decrease in inventory		7,645,798	3,985,706
Decrease in prepayments		14,958	34,285
Decrease in other financial assets - current		429,587	1,191,935
Decrease (increase) in other current assets		4,179	(9,511)
Decrease in costs of obtaining a contract		70,141	23,487
Total changes in operating assets		9,632,291	3,985,728
Total changes in operating liabilities:			
Decrease in contract liabilities		(3,208,355)	(931,734)
Increase (decrease) in notes payable		(11,367)	18,599
Decrease in notes payable - related parties		(942,654)	(168,006)
Increase (decrease) in accounts payable		(58,220)	124,984
Increase (decrease) in accounts payable - related parties		(129,221)	141,767
Increase (decrease) in other payables		(224,215)	336,777
Increase (decrease) in provisions for employee benefit - current		35	(255)
Increase (decrease) in guarantee deposits		(2,405)	29
Increase (decrease) in other current liabilities		1,824	(102,788)
Decrease in net defined benefit liabilities		(3,597)	(3,204)
Increase in other non-current liabilities		86	86
Total changes in operating liabilities		(4,578,089)	(583,745)
Total changes in operating assets and liabilities		5,054,202	3,401,983
Total adjustments		4,837,912	3,073,879
Cash flows generated from operations		9,034,703	7,211,114
Income taxes paid		(756,437)	(292,805)
Net cash flows from operating activities		8,278,266	6,918,309

Kindom Development Co., Ltd.
Parent Company Only 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	(703)	-
Payment returned on capital reduction of financial assets at fair value through other comprehensive income	992	-
Financial assets at fair value through profit or loss	(1,135)	-
Acquisition of property, plant and equipment	(14,393)	(6,490)
Disposal of property, plant and equipment	-	164
Decrease in equipment prepayment	-	5,222
Interests received	12,117	9,081
Dividends received	232,607	125,286
Net Cash Generated from (Used in) Investing Activities	229,485	133,263
Cash flows from financing activities:		
Increase in short-term loans	4,176,600	6,843,595
Decrease in short-term loans	(4,838,226)	(10,647,618)
Increase in short-term notes and bills payable	220,000	1,010,000
Decrease in short-term notes and bills payable	(220,000)	(1,010,000)
Issuance of convertible corporate bonds	-	1,000,000
Redemption of convertible corporate bonds	(1,500,000)	-
Repayments of lease principal	(2,472)	(1,712)
Cash dividends distributed	(1,209,098)	(755,687)
Interests paid	(347,082)	(434,212)
Net cash flows used in financing activities	(3,720,278)	(3,995,634)
Net increase in cash and cash equivalents	4,787,473	3,055,938
Cash and cash equivalents at beginning of the period	5,068,316	2,012,378
Cash and cash equivalents at end of the period	$ 9,855,789	5,068,316

(Refer to the subsequent Notes to Parent Company Only Financial Statements)

Chairman:	**General Manager:**	**Chief Accounting Officer:**
Chih-Kang, Ma	**Ching-Chin, Hung**	**Shu-Lien, Chang**

Kindom Development Co., Ltd.
Notes to the Parent Company Only Financial Statements
For 2021 and 2020
(In Thousands of New Taiwan Dollars, unless otherwise specified)

1. Company Overview

Kindom Development Co., Ltd. (the "Company") was incorporated on November of 1979, as a company limited by shares under the laws of the Republic of China ("R.O.C.") and registered under the Ministry of Economic Affairs, R.O.C. The registered address is 2F., No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.). The Company primarily engages in the development of residential properties and the leases or sales of commercial buildings.

2. The Approval Date and Procedures of the Financial Report

The Parent Company Only 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 Company has adopted the following newly amended IFRSs starting from January 1, 2021, which have not had a material impact on the Parent Company Only 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 Company has adopted the following newly amended IFRSs starting from January 1, 2020, which have not had a material impact on the Parent Company Only Financial Statements.

- Amendments to IFRS 16 "COVID-19-Related Rent Concessions after June 30, 2021"

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

The Company 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 parent company only 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

For IFRSs issued by IASB but not yet endorsed by the FSC, the impact on the Company are as follows:

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 Company is currently evaluating the impact on its parent-company-only financial position and parent-company-only financial performance upon the initial adoption of the aforementioned standards and interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company expects that the following newly published and amended IFRS unendorsed will not result in a material impact on the Parent Company Only 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 parent company only 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 Parent Company Only Financial Statements.

(1) Compliance Statement

The Company's Parent Company Only Financial Statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (the "Regulations").

(2) Basis of Preparation

1. Basis of measurement

The Parent Company Only 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 liabilities are measured by the fair value of pension fund assets minus the present value of the defined benefit obligations and the cap effects measurement mentioned in Note 4(15).

2. Functional and presentation currency

The Company takes the currency of the main economic environment in which each business operates as its functional currency. The Parent Company Only Financial Statements are 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) 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 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.

(4) 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.

(5) 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.

(6) Financial Instruments

The accounts receivable and debt securities issued were originally recognized when they were generated. All other financial assets and financial liabilities were recognized when the Company became a party to the 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 company's management of financial assets, the affected assets are reclassified at the beginning of the next reporting period.

(1) Financial assets measured at amortized cost

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)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in 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 Company's right to receive the dividends is established (usually the ex-dividend date).

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

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 Company 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

The Company recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, refundable deposit, and other financial assets), debt investments measured at FVTOCI and contract assets.

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 company 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 Company' s historical experience and 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 Company can collect according to the contract and the expected cash flow that the Company will receive. Expected credit loss is discounted at the effective interest rate of financial assets.

On each reporting date, the Company 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 Company cannot reasonably expect the whole or part of the recovered financial assets, it directly reduces the total carrying amount of its financial assets. For companies, the Company analyzes the timing and amount of write-offs individually based on whether it is reasonably expected to be recoverable. The Company expects that the amount written off will not be materially reversed. However, the written-off financial assets can still be enforced to comply with the procedures for the Company 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 company transfers substantially all the risks and rewards of ownership of the financial assets to other enterprises, or when the company 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 Company continues 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 Company are classified separately as financial liabilities and equity in accordance with the substance of contractual arrangements.

(2) Equity instruments

Equity instruments refer to surplus equities of the assets after the deduction of all the debts for any contracts. The equity instrument issued by the Company 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 company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. 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 Company 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.

(7) Inventories

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.

(8) Investment in Subsidiaries

The subsidiaries in which the company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income, and equity in the parent company only financial statements are the same as those attributable to controlling interest in the consolidated financial statements.

If change of ownership in the Company's subsidiaries does not lead to loss of control, the change is considered equity transaction between shareholders.

(9) 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.

(10) 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 company.

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	3 to 5 years
(3) Leasehold improvement	2 to 3 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.

(11) Lease

At the contract commencement date, the Company determines 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 Company 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 Company 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 implicit interest rate of the lease is easy to determine, it is applied as the discount rate. If it is not easy to determine, the incremental borrowing rate of the consolidated company is used. Generally speaking, the Company uses its incremental borrowing rate of interest 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 company records right-of-use assets and lease liabilities defined as not investment properties in a single line item in the parent-company-only balance sheets.

The company 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.

2. The Company as lessor

For transactions in which the Company is the lessor, it is to classify the tenancy agreement according to whether it transfers almost all risks and remuneration attached to the ownership of the underlying asset on the lease establishment date. If so, it is classified as a financial lease, otherwise, it is classified as an operating lease. At the time of evaluation, the Company'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 Company is a sublease lessor, the main lease and sublease transactions are processed separately, and the classification of the sublease transaction is evaluated by the right-of-use asset generated by the main lease. 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.

(12) Intangible assets

1. Recognition and measurement

   Intangible assets that are acquired by the Company 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:

   Computer software: 3 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.

(13) Impairments of Non-financial Assets

The Company assesses on each reporting date whether there is any indication that the carrying amount of non-financial assets (other than inventory, contractual assets, 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 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.

(14) 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 Company 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 Company's main types of revenue are explained below:

(1) Development of land and buildings

The Company develops and sells residential property, and often pre-sells property during or before construction. The Company recognizes the income upon transfer of control over property asset. Due to contractual restrictions, the property usually has no other use for the Company. Therefore, if the Company 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) Construction contracts

The Company is engaged in the development of residential real estate and public construction. Because assets are controlled by customers at the time of construction, revenue is recognized on the basis of stage of completion of contract activity (i.e. cost of construction completed in proportion to total construction 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 Company 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 Company 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.

(3) 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.

(4) Financing components

The company 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 company does not adjust any of the transaction prices for the time value of money.

2. Cost of customer contracts-Incremental costs of obtaining a contract

If the Company 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.

(15) 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 net obligation of the Company to determine the benefit plan is calculated by converting the future benefit amount earned by the employee in the current period or the previous period into the present value and deducting the fair value of any 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 Company, 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 Company 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 Company 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 Company 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.

(16) 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 company 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.

(17) Earnings per Share

The Company presents the basic and diluted earnings per share attributable to the Company's common equity holders. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. 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.

(18) Segment Information

The company has disclosed information on operating segments in its consolidated financial statements; hence, no further information is disclosed in the parent-company-only financial statements.

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

The preparation of the parent company only financial statements requires management to make judgments, estimations and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income 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:

Inventory valuation

As inventory shall be measured based on the cost or realizable value, whichever is lower; if on the Company'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 company adopts fair value to measure financial and non-financial assets as well as liabilities. To make valuation close to market conditions, the Company 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 company 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 Company applies observable market inputs as much as possible. A fair value hierarchy categorizes the inputs used in valuation techniques into three levels:

(1) Level 1: (unadjusted) quoted prices in active markets for identical assets or liabilities.

(2) 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).

(3) 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. Note 6(23) 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	$	302	323
Bank deposits			
Check deposits		1,989,270	2,086,133
Demand deposits		4,045,309	155,917
Cash equivalents		3,820,908	2,825,943
Cash and cash equivalents in the parent company only statements of cash flows	$	9,855,789	5,068,316

These cash equivalents are short-term notes expiring in February 2022 and February 2021, respectively; interest rate of these cash equivalents ranges from 0.25% to 0.27% and from 0.24% to 0.28%.

Disclosure of interest rate risk and sensitivity analysis of our financial assets and liabilities of the Company is detailed in Note 6(23).

(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	$	43,878	23,622

For the gains or losses on remeasurement at fair value, please refer to Note 6(23).

As of December 31, 2021, and 2020, none of the financial assets of the Company 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			
Listed stock - Fubon Financial Holding Co., Ltd. Preferred Shares C	$	704	-
Listed stock - Clientron Corp.		973	495
Unlisted stock - Everterminal Co., Ltd.		2,914	2,411
Total	$	4,591	2,906

1. Equity investments measured at FVTOCI

   The company designated the aforementioned investments as financial assets at FVTOCI because these equity instruments are held for long-term strategic purposes and not for trading.

   For the equity instrument investment designated as measured at fair value through other comprehensive income, the dividend incomes recognized by the Company in 2021 and 2020 were NT$164 thousand and NT$232 thousand.

   The Company 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(23).

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 - incurred due to operating	$	-	355
Accounts receivables - measured at amortized cost		120,179	1,232,054
	$	120,179	1,232,409

The Company adopted a simplified method to estimate expected credit loss for notes receivable and accounts receivable, namely measurement through lifetime expected credit loss. For this purpose of measurement, the notes receivable and accounts receivable are grouped by the joint credit risk characteristics of the ability to pay the due amount according to the contract terms of representative customers, and incorporated into prospective information. The analysis of expected credit losses on notes and accounts receivable in Taiwan was as follows:

	2021.12.31		
	Carrying amount	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 120,179	-	-

	2020.12.31		
	Carrying amount	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 1,232,409	-	-

For the years ended December 31, 2021 and 2020, no loss allowance on doubtful accounts and reversal of receivables written down were recognized.

(5) Inventories

	2021.12.31	**2020.12.31**
Prepayments for buildings and land	$ 4,235	4,235
Land held for construction	2,609,060	2,766,445
Construction in progress	8,420,374	13,090,422
Buildings and land held for sale	10,295,023	12,990,281
Total	$ 21,328,692	28,851,383

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 reported 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(22) for details on the amounts of capitalization.

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

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

(6) Investments accounted for using equity method

Investments of the company under equity method at reporting date are listed below:

	2021.12.31	2020.12.31
Subsidiary	$ 5,244,133	5,033,683

1. Subsidiary

   Please refer to the 2021 Consolidated Financial Statements.

2. Collateral

   As of December 31, 2021, and 2020, please refer to Note 8 for the investments under the equity method of the Company was pledged as collateral.

3. Global Mall (Tianjin) Co., Ltd. (the “Global Mall Tianjin”) is a sub-subsidiary of Global Mall, the company’s investments accounted for using the equity method. 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.

(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 Company are as follows:

	Land	Buildings	Leasehold improvements	Other equipment (including transportation and other equipment)	Total
Cost or deemed cost:					
Balance as of January 1, 2021	$ 138,488	272,967	1,687	5,730	418,872
Addition	-	14,277	-	116	14,393
Disposal	-	-	(570)	-	(570)
Balance as of December 31, 2021	$ 138,488	287,244	1,117	5,846	432,695
Balance as of January 1, 2020	$ 138,488	267,203	1,178	7,443	414,312
Addition	-	5,764	509	217	6,490
Disposal	-	-	-	(1,930)	(1,930)
Balance as of December 31, 2020	$ 138,488	272,967	1,687	5,730	418,872
Depreciation and impairment Losses					
Balance as of January 1, 2021	$ -	132,843	1,264	4,635	138,742
Depreciation for the year	-	10,679	169	580	11,428
Disposal	-	-	(570)	-	(570)

	Land	Buildings	Leasehold improvements	Other equipment (including transportation and other equipment)	Total
Balance as of December 31, 2021	$ -	143,522	863	5,215	149,600
Balance as of January 1, 2020	$ -	126,822	976	5,692	133,490
Depreciation for the year	-	6,021	288	873	7,182
Disposal	-	-	-	(1,930)	(1,930)
Balance as of December 31, 2020	$ -	132,843	1,264	4,635	138,742
Carrying amount:					
December 31, 2021	$ 138,488	143,722	254	631	283,095
December 31, 2020	$ 138,488	140,124	423	1,095	280,130

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

The cost and depreciation of leased transportation equipment were as follows:

	Transportation equipment
Cost:	
Balance as of January 1, 2021	$ 5,870
Addition	1,892
Balance as of December 31, 2021	$ 7,762
Balance as of January 1, 2020	$ 4,342
Addition	1,528
Balance as of December 31, 2020	$ 5,870
Depreciation and impairment losses of the right-of-use assets:	
Balance as of January 1, 2021	$ 1,986
Depreciation	2,482
Balance as of December 31, 2021	$ 4,468
Balance as of January 1, 2020	$ 241
Depreciation for the period	1,745
Balance as of December 31, 2020	$ 1,986
Carrying amount:	
December 31, 2021	$ 3,294
December 31, 2020	$ 3,884

(9) Investment Property

		Land and improvements	Buildings	Total
Cost or deemed cost:				
Balance as of January 1, 2021	$	282,087	213,814	495,901
Balance as of December 31, 2021	$	282,087	213,814	495,901
Balance as of January 1, 2020	$	282,087	213,814	495,901
Balance as of December 31, 2020	$	282,087	213,814	495,901
Depreciation and impairment Losses				
Balance as of January 1, 2021	$	-	25,151	25,151
Depreciation for the year		-	4,192	4,192
Balance as of December 31, 2021	$	-	29,343	29,343
Balance as of January 1, 2020	$	-	20,959	20,959
Depreciation for the year		-	4,192	4,192
Balance as of December 31, 2020	$	-	25,151	25,151
Carrying amount:				
December 31, 2021	$	282,087	184,471	466,558
December 31, 2020	$	282,087	188,663	470,750
Fair value:				
December 31, 2021				$ 596,191
December 31, 2020				$ 1,091,823

Investment properties are commercial real estates leased to third parties. Refer to Note 6(15) 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 2021 and 2020 was 1.55% and 1.85%, respectively.

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

(10) Intangible assets

The changes of cost, amortization, and impairment loss of the intangible assets of the Company for 2021 and 2020 are as follows:

		Computer software
Cost:		
Balance as of January 1, 2021	$	11,098
Balance as of December 31, 2021	$	11,098
Balance as of January 1, 2020	$	11,098
Balance as of December 31, 2020	$	11,098
Amortization and impairment loss:		
Balance as of January 1, 2021	$	9,764
Amortization for the year		860
Balance as of December 31, 2021	$	10,624
Balance as of January 1, 2020	$	8,824
Amortization for the year		940
Balance as of December 31, 2020	$	9,764
Carrying amount:		
Balance as of December 31, 2021	$	474
Balance as of December 31, 2020	$	1,334

Amortization expense

Intangible assets amortization expenses for 2021 and 2020 are presented in the income statement under the following items:

		2021	2020
Operating expenses	$	860	940

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

		2021.12.31	2020.12.31
Other financial assets - current	$	1,565,806	1,995,393
Incremental costs of obtaining a contract		50,897	121,038
	$	1,616,703	2,116,431

1. Other financial assets

For details on collateral pledged on restricted assets (reserve accounts and trust) and construction refundable deposits, please refer to Note 8.

2. Incremental costs of obtaining a contract - current

   The Company expected to recover the commissions paid to third-party real estate agent and bonus paid to internal sales department and 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 loans

Details of the company's short-term borrowings were as follows:

	2021.12.31	2020.12.31
Unsecured bank loans	$ 4,413,667	4,250,000
Secured bank loans	9,866,058	10,691,351
Total	$ 14,279,725	14,941,351
Range of effective rates	1.05%~2.44%	1.10%~2.44%

Refer to Note 8 for details on assets pledged as collateral for secured bank borrowings.

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

Details on bonds payable were 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 Company 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	$ 3,344	3,924

For maturity analysis, please refer to Note 6(23) Financial Instruments.

The amount related to lease liability in the consolidated statements of comprehensive income is as follows:

		2021	2020
Interest expense on lease liability	$	90	90
Expenses relating to short-term leases and low-value asset leases	$	12,344	22,137

The amount related to lease liability in the consolidated statements of cash flows is as follows:

		2021	2020
Total cash used in lease	$	14,906	23,939

Other leases

The Company leases transportation equipment and the lease period is 3 years. The Company leases office equipment and outdoor fixed-spot advertising. These leases are for short term and low-value items, and the Company chooses to apply the exemption recognition requirement instead of recognizing their right-of-use assets and lease liabilities.

(15) Operation lease

Lessor lease

The Company leased its investment properties and recognizes the leases that do not transfer of the substantial risks and rewards incident to ownership of an underlying asset under as operating leases. Refer to Note 6(9) for details.

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	10,526
1~2 years		5,726	6,556
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	35,683

For the years ended on December 31, 2021,and 2020, the rental income from investment property both amounted to NT$8,811 thousand and NT$10,526 thousand, respectively; no significant repair and maintenance expenses were recognized.

(16) 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	$ 9,982	12,649
Fair value of plan assets	(7,047)	(6,670)
Net defined benefit (assets) liabilities	$ 2,935	5,979

Details on employee benefit liabilities were as follows:

	2021.12.31	2020.12.31
Short-term compensated absences liability	$ 2,884	2,849

The Company 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 Company 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 Company's contributions to the pension funds were deposited with Bank of Taiwan, which amounted to NT$7,047 thousand on the reporting date. 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 Company in 2021 and 2020 are as follows:

		2021	2020
Defined benefit obligations at January 1	$	12,649	12,949
Current service costs and interest cost (income)		101	93
Remeasurement on the net defined benefit liabilities (assets)			
— Actuarial loss (gain) arising from changes in financial assumption		152	235
Experience adjustments		486	2,449
Benefits paid by the plan		(3,406)	(3,077)
Fair value of plan assets at December 31	$	9,982	12,649

(3) Movements in fair value of plan assets

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

		2021	2020
Fair value of plan assets at January 1	$	6,670	6,268
Interest income		54	27
Remeasurement on the net defined benefit liabilities (assets)			
Return on plan assets (excluding amounts included in net interest expense)		85	183
Contributions paid by the employer		3,644	3,269
Benefits paid by the plan		(3,406)	(3,077)
Fair value of plan assets at December 31	$	7,047	6,670

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

(5) Expenses recognized in profit or loss

The expenses recognized as profit and loss of the Company in 2021 and 2020 are as follows:

	2021	2020
Interest costs of defined benefit obligations	$ 101	93
Net interest of net defined benefit liabilities (assets)	(54)	(27)
	$ 47	**66**

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

The Company's remeasurements of the net defined benefit liability recognized in other comprehensive income were as follows:

	2021	2020
Cumulative balance as of January 1	$ (12,671)	(10,169)
Recognized for the year	(553)	(2,502)
Cumulative Balance as of December 31	**$ (13,224)**	**(12,671)**

(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%

Based on the actuarial report, the Company is expected to make a contribution payment of NT$3,644 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 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%)	(152)	157
Future salary increases rate (change by 1%)	642	(587)
December 31, 2020		
Discount rate (change by 0.25%)	(293)	303
Future salary increases rate (change by 1%)	1,244	(1,119)

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 Company's defined contribution plan contributes 6% of the worker's monthly wage to the individual labor pension accounts at the Bureau of Labor Insurance per the provisions of the Labor Pension Act. Under these defined contribution plans, the company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The cost of the pension contributions to the Bureau of Labor Insurance for the years ended December 31, 2021, and 2020 amounted to NT$4,383 thousand and NT$4,168 thousand, respectively.

Notes to the Parent Company Only Financial Statements of Kindom Development Co., Ltd. (continued)

(17) Income taxes

1. Income tax expense

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

	2021	2020
Current tax expenses		
Accrued in current period	$ 365,051	477,718
Surtax on unappropriated earnings	65,089	19,664
Adjustments to income tax expenses of previous period	(3,231)	(5,038)
Land revaluation increment tax	261,779	290,920
Income tax expense	$ 688,688	783,264

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

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

	2021	2020
Net income before tax	$ 4,196,791	4,137,235
Income tax using the Company's domestic tax rate	$ 839,358	827,447
Non-taxable incomes on land	(299,352)	(214,210)
Timing differences on recognition of income and cost	(51,221)	29,165
Deferred tax on interest expenses	(2,550)	17,555
Domestic investment gain accounted for using equity method	(83,446)	(117,948)
Valuation gain on financial assets measured at fair value through profit or loss	(3,824)	(35)
Deferred tax on interest expenses	(8,009)	(21,343)
Total land price increase	(26,176)	(42,118)
Under (over) provision for the prior periods	(3,231)	(5,038)
Land revaluation increment tax	261,779	290,920
Surtax on unappropriated earnings	65,089	19,664
Others	271	(795)
	$ 688,688	783,264

2. The Company's business income tax declaration has been approved by the collection authority until 2019.

(18) 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	-	-
Total		$ 1,712,889		755,687

4. Treasury stock

As of December 31, 2021, and 2020, the details of shares of the Company held by the Company's subsidiaries are as follows:

Unit: thousands shares

	2021.12.31			2020.12.31		
Subsidiary name	Number of shares	Carrying amount	Market value	Number of shares	Carrying amount	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

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	Total
Balance as of January 1, 2021	$ (28,521)	674	(27,847)
The exchange differences yielded by net assets of overseas operating institutions	(1,131)	-	(1,131)
Shares of unrealized gain (loss) from financial assets measured at FVTOCI	-	2,251	2,251
Balance as of December 31, 2021	$ (29,652)	2,925	(26,727)
Balance as of January 1, 2020	$ (26,264)	460	(25,804)
The exchange differences yielded by net assets of overseas operating institutions	(2,257)	-	(2,257)
Shares of unrealized gain (loss) from financial assets measured at FVTOCI	-	214	214
Balance as of December 31, 2020	$ (28,521)	674	(27,847)

(19) Earnings per Share

The basic and diluted earnings per share of the Company 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
	Units in continuing operations	Units in continuing operations
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
	Units in continuing operations	**Units in continuing operations**
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**

(20) Revenue from contracts with customers

1. Disaggregation of revenue

Details of income in 2021 and 2020 are as follows:

	2021	2020
Revenue from contracts with customers	$ 16,088,554	17,170,158
Rental income	17,000	14,853
	$ 16,105,554	**17,185,011**

2. Disaggregation of revenue from contracts with customers

		2021	2020
Primary geographical markets:			
Taiwan	$	16,105,554	17,185,011
Main products/services:			
Sales of real estate developments	$	15,886,329	16,776,116
Sales of construction contracts		187,440	384,452
Service revenue		2,659	9,590
Other income		29,126	14,853
	$	16,105,554	17,185,011
Timing of revenue recognition:			
Transfer of products upon a point in time	$	15,901,114	16,785,706
On the basis of stage of completion of contract activity		187,440	384,452
On the basis of time passed for services rendered		17,000	14,853
Total	$	16,105,554	17,185,011

3. Contract balances

		2021.12.31	2020.12.31	2020.1.1
Accounts receivable	$	120,179	1,232,054	233,089
Less: Allowance for losses		-	-	-
Total	$	120,179	1,232,054	233,089
Contract assets - construction	$	39,235	394,633	151,622
Less: Allowance for losses		-	-	-
Total	$	39,235	394,633	151,622
Contract liabilities - construction	$	9,767	6,703	18,415
Contract liabilities - buildings		1,045,946	4,257,365	5,177,387
Total	$	1,055,713	4,264,068	5,195,802

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.

Changes in contract assets and liabilities were mainly driven by the timing difference between when the transfer of products and services rendered were completed and when client's payments were received. For the years ended on December 31, 2021, and 2020, no material changes were recognized.

As of December 31, 2021, the Company'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

(21) Compensation of employees, directors, and supervisors

The Company's Articles of Incorporation stipulates 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. When an issuance of common stocks for employee compensation is resolved by a Board meeting, the number of shares issued for the stock-based compensation is calculated based on the closing stock price at the date before the Board meeting. Related information is disclosed on Market Observation Post System of TWSE. The aforementioned amounts of employee compensation and Directors' and Supervisors' remuneration, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2021 and 2020.

(22) Non-operating revenue and expense

1. Interest income

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

	2021	**2020**
Bank deposits (including short-term securities)	$ 11,946	6,906
Discounted construction refundable deposits	162	1,065
Others	9	1,110
	$ 12,117	**9,081**

2. Other income

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

		2021	2020
Dividend income	$	1,680	1,243

3. Other gains or losses

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

		2021	2020
Gain on financial assets measured at fair value through profit or loss	$	19,121	177
Gain on disposal of assets		-	164
Other income		28,410	33,017
Others		(15,956)	(9,643)
	$	31,575	23,715

4. Finance costs

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

		2021	2020
Interest expense			
Interests on bank loans and deposits	$	255,355	347,179
Transaction fees and interests on corporate bonds		81,550	88,405
Interests on lease liabilities		90	90
Other financing costs		1,010	-
Less: Capitalization of interest		(123,107)	(177,430)
	$	214,898	258,244

(23) 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 Company is engaged in the development and sales of real estate. Its clientele is primarily the vast majority of individual consumers and is not concentrated on single key accounts or in particular regions. Consequently, the credit risks in relations to these receivables are determined to have no significant concentration concerns.

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
December 31, 2021					
Non-derivative financial liabilities					
Secured bank loans	$ 9,866,058	10,115,187	4,387,746	5,727,441	-
Unsecured bank loans	4,413,667	4,486,203	3,317,911	1,168,292	-
Notes and accounts payable and other payables (including related parties)	1,642,359	1,642,359	1,642,359	-	-
Ordinary bond (including current portion due within one year)	4,000,000	4,072,900	-	3,050,281	1,022,619
Lease liabilities	3,344	3,397	2,421	976	-
Guarantee deposits received	1,042	1,042	-	1,042	-
	$ 19,926,470	20,321,088	9,350,437	9,948,032	1,022,619
December 31, 2020					
Non-derivative financial liabilities					
Secured bank loans	$ 10,691,351	10,931,211	7,525,439	3,304,827	100,945
Unsecured bank loans	4,250,000	4,379,017	1,822,632	2,556,385	-
Notes and accounts payable and other payables (including related parties)	3,017,402	3,017,402	3,017,402	-	-
Ordinary bond (including current portion due within one year)	5,500,000	5,612,975	1,506,775	2,045,975	2,060,225
Lease liabilities	3,924	4,011	2,021	1,990	-
Guarantee deposits received	3,447	3,447	-	3,447	-
	$ 23,466,124	23,948,063	13,874,269	7,912,624	2,161,170

The Company did not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

3. Interest rate analysis

Refer to the note on liquidity risk management and the interest rate exposure of the Company's financial assets and liabilities.

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 expected changes in interest rates at plus or minus 1% is reasonably assessed by the company's management and also used in internal reporting.

For the years ended December 31, 2021, and 2020, an increase (decrease) of 1% in interest rates is estimated, assuming all other variables remain constant, to cause decrease (increase) in the net profit before tax by NT$142,797 thousand and NT$149,414 thousand, respectively, and after considering capitalization of interest, to cause decrease (increase) by NT$90,788 thousand and NT$88,565 thousand, respectively. This change is mainly due to the Company’s loans in variable rates.

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%	$ 459	4,388	291	2,362
Decrease by 10%	$ (459)	(4,388)	(291)	(2,362)

5. Fair value information

(1) Type and fair value of financial instruments

The fair value of financial assets measured at FVTPL and FVTOCI is measured on a recurring basis. Shown below are the book value and fair value of the Company’s financial assets and liabilities, including the information on fair value hierarchy, but excluding lease liabilities and financial instruments that are not measured at fair value but the book value of which is reasonably closely to its fair value (disclosure not required):

	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 FVTPL	$ 43,878	43,878	-	-	43,878
Financial assets measured at FVTOCI - non-current	$ 4,591	1,677	-	2,914	4,591
Financial assets measured at cost after amortization					
Cash and cash equivalents	$ 9,855,789	-	-	-	-
Notes and accounts receivable	120,179	-	-	-	-
Other financial assets-current	1,565,806	-	-	-	-
Subtotal	11,541,774	-	-	-	-
Total	$ 11,590,243	45,555	-	2,914	48,469
Financial liabilities at amortized costs					

Notes to the Parent Company Only Financial Statements of Kindom Development Co., Ltd. (continued)

	2021.12.31				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Short-term loans	$ 14,279,725	-	-	-	-
Notes and accounts payable and other payables (including related parties)	1,642,359	-	-	-	-
Bonds payable (including current portion due within one year)	4,000,000	-	-	-	-
Lease liabilities	3,344	-	-	-	-
Guarantee deposits received	1,042	-	-	-	-
Total	$ 19,926,470	-	-	-	-

	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	$ 23,622	23,622	-	-	23,622
Financial assets measured at FVTOCI - non-current	$ 2,906	495	-	2,411	2,906
Financial assets measured at cost after amortization					
Cash and cash equivalents	$ 5,068,316	-	-	-	-
Notes and accounts receivable	1,232,409	-	-	-	-
Other financial assets-current	1,995,393	-	-	-	-
Subtotal	8,296,118	-	-	-	-
Total	$ 8,322,646	24,117	-	2,411	26,528
Financial liabilities at amortized costs					
Short-term loans	$ 14,941,351	-	-	-	-
Notes and accounts payable and other payables (including related parties)	3,017,402	-	-	-	-
Bonds payable (including current portion due within one year)	5,500,000	-	-	-	-
Lease liabilities	3,924	-	-	-	-
Guarantee deposits received	3,447	-	-	-	-
Total	$ 23,466,124	-	-	-	-

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

(2.1) 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 were 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 were 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	$ 2,411	-	2,411
December 31, 2021	$ 2,914	-	2,914
January 1, 2020	$ 2,003	-	2,003
December 31, 2020	$ 2,411	-	2,411

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")	$ 1,495	408

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

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

Among the financial assets classified 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	· Net asset value (NT$2,914 thousand as of December 31, 2021)	· The higher the net asset value, the higher the fair value
Financial assets measured at FVTOCI - equity instruments without active market quotes	Comparable company valuation	· Price/earnings ratio (22.3 as of December 31, 2020) · Discount for lack of marketability (15% as of December 31, 2020)	· The higher the ratio, the greater the fair value. · The higher the discount, the lower the fair value.

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

The company'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 Company 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.

(24) Financial risk management

1. Overview

The company has exposure to the following risks arising from financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The company has disclosed the information on exposure to the aforementioned risks in the previous section; the information on objectives, policies and procedures of risk measurement and management of the aforementioned risks are disclosed below. 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. Considering operation strategy, business environment and planning of each business units, the Company's Board of Directors established risk management policies in relation to business environment, to design and procedures of internal and external controls, and to strategy decision-making. 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 company 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 Company's customers or counter-parties of its financial instruments fail to meet their contractual obligations, principally from the Company’s receivables from clients and investment securities.

(1) Accounts receivable and other receivables

The Company's exposure to credit risk varies among individual clients. Taken into considerations are client related information including, among others, the industry and nature of the client's business, country risks, and other factors that the management believes would affect the Company's exposure to credit risk. The Company’s revenue for the years ended December 31, 2021, and 2020, were solely from domestic consumers. The company is engaged in the development and sales of real estate. The receivables arisen from real estate sales are paid by individual consumers through wire transfers, cashier’s or certified checks and mortgages. Consequently, the credit risks in relations to these receivables are estimated to be minimal.

The Company also recognized losses allowance for bad debts to reflect the estimated losses of its accounts receivable, other receivables and investments. 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 Company’s finance department. Since the company 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 Company stipulate that guarantees can be made available to subsidiaries and counterparties of whom the Company owns more than 50% of shares. As of December 31, 2021, and 2020, the Company provides no endorsements/guarantees mentioned above.

4. Liquidity risk

Liquidity risk is the risk of unfulfilled obligations occurring when the company cannot settle its financial liabilities with cash or another financial asset. The Company's approach to managing liquidity is to monitor its capital demands through cash flow forecasting, maintain sufficient non-disbursable loan commitments at all times, and 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 company'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 Company'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 Company 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 Company 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 its defined benefit obligations. The Company'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.

(25) Capital management

The Company'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 Company may settle liabilities through adjustments in dividend payment or capital return to its shareholders, issuance of new shares, or disposal of assets.

The Company, 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 Company 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	$ 21,490,666	28,307,523
Less: cash and cash equivalents	(9,855,789)	(5,068,316)
Net liability	11,634,877	23,239,207
Total equity	17,562,761	15,237,901
Capital after adjustment	$ 29,197,638	38,477,108
Debt-to-capital ratio	40%	60%

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

The Company's non-cash investing and financing activities for the year ended on December 31, 2021, and 2020, are to acquire right-of-use assets through leases. Refer to Note 6(8) for details.

7. Related-Party Transactions

(1) Name of related parties and relations

Related parties that had transactions with the company during the reporting periods were as follows:

Name of related party	Relations with the company
Kedge Construction Co., Ltd (the "Kedge Construction")	Subsidiary
Global Mall Co., Ltd. (the "Global Mall")	Subsidiary
Guan Cheng Co., Ltd. (GLOBAL MALL BANQIAO STORE) (the "Guan Cheng")	Subsidiary
Jiequn Investment Co., Ltd. (the "Jiequn Investment")	Subsidiary
Dingtian Construction Co., Ltd. (Dingtian Construction)	Subsidiary
Guanqing Electromechanical Co., Ltd. (the "Guanqing Electromechanical")	Subsidiary
KGM International Investment Co., Ltd. (HK) (the "KGM")	Subsidiary
Guan Hua Co., Ltd. (GLOBAL MALL NANGANG STORE) (the "Guan Hua")	Subsidiary
Global Mall (Tianjin) Co., Ltd.	Subsidiary
(Global Mall (Tianjin) Co., Ltd.)	
Guan You Co., Ltd. (GLOBAL MALL ZUOYING STORE) (the "Guan You")	Subsidiary
ReadyCom eServices Co., Ltd.	Associates
Retrieving data. Wait a few seconds and try to cut or copy again.	The entity’s chairman is the second-degree relatives of the Company's Chairman

(2) Significant related-party transactions

Notes to the Parent Company Only Financial Statements of Kindom Development Co., Ltd. (continued)

1. Purchases

Detail of the company's significant purchases with its related parties were as follows:

2021	Total Contract Amount (before tax)	Purchase (Current Price)	Cumulative Amount
Subsidiary - Kedge Construction	$ 10,935,738	2,444,757	7,358,430

2020			
Subsidiary - Kedge Construction	$ 17,709,729	5,733,902	11,592,336

The construction projects contracted to the related parties by the Company was in accordance with related party's contracting regulations, according to which, the contract price is calculated on the basis of construction budgets plus reasonable management expenses and profits and, after price comparison and negotiation processes, approved by the management.

The payment term of related-party transactions is either 50% due immediately and 50% due in 90 day or 100% due immediately and 100% due in 90 days.

2. Purchases of services from related parties

	Purchases	
	2021	2020
Subsidiary - Global Mall	$ -	190
Subsidiary - Dingtian	1,010	917
	$ 1,010	1,107

3. Payables to related parties

Detail of the company's significant accounts payable with its related parties were as follows:

Accounting Subject	Category and Name of Related Party	2021.12.31	2020.12.31
Notes payable - related parties	Subsidiary - Kedge Construction	$ 176,942	1,119,596
Accounts Payable - Related Party	Subsidiary - Kedge Construction	659,813	789,034
		$ 836,755	1,908,630

4. Endorsements/guarantees

   Detail of the Company's endorsements/guarantees provided to its related parties were as follows:

Name of related party		2021.12.31	2020.12.31
Subsidiary	$	28,384	28,384

5. Lease

   (1) Leasing from related parties

   The Company leased office buildings and parking lots from subsidiaries in a lease term of one year. The rental incomes for the years ended on December 31, 2021, and 2020, were both NT$ 3,360 thousand.

   (2) Leasing to related parties

   Part of the Company's office building was leased to subsidiaries and other related parties in a lease term of one year. The rental incomes for the years ended on December 31, 2021, and 2020, were NT$6,825 thousand and NT$3,206 thousand, respectively.

6. Others

   (1) The Company signed an agreement for the surface right to a land in Pingtung in the second half of the year 2011. According to the agreement, the payments for the surface right to be received before the end of the agreement and when the agreement is extended were in the amount of NT$31,464 thousand and NT$16,000 thousand, respectively. The total amount was NT$ 47,464 thousand over a period of thirty years. For the year ended December 31, 2020, all rights and obligations related to the identified lease asset were transferred to the subsidiary.

   (2) In 2021 and 2020, the Company donated NT$6,000 thousand and NT$5,500 thousand to Yu San Foundation, a syndicate legal entity, for the promotion of the foundation's business.

   (3) In 2021, the Company received NT$929 thousand as remuneration for providing mall planning services to its subsidiaries, which was recorded under other gains or losses.

(3) Key management personnel transactions

Remuneration to major management personnel includes:

		2021	2020
Short-term employee benefits	$	42,860	50,204
Benefits after retirement		79	95
	$	42,939	50,299

8. Pledged Assets

Carrying values of pledged assets were as follow:

Name of assets	Pledge guarantee object	2021.12.31	2020.12.31
Buildings and land held for sale	Bank loans	$ 7,091,204	9,437,586
Land held for construction	〃	1,709,071	211,953
Construction in progress	〃	8,098,053	9,837,329
Investment properties and net value of property, plant, and equipment	〃	748,768	749,362
Other financial assets-current	Bank loans, pre-sales payments in trust accounts, guarantees, and bonds payable	1,034,608	1,454,365
Long-term equity instruments accounted for using equity method	Bank loans and guarantees	2,902,148	2,879,806
		$ 21,583,852	24,570,401

9. Significant, Contingent and Unrecognized Contract Liabilities

(1) Significant unrecognized contract commitments:

1. The total amount of contract construction contracts signed by the company was as follows:

	2021.12.31	2020.12.31
Total amount of contract construction	$ 189,714	603,719
Amount of payments received	$ 29,925	95,274

2. Total amount of sales contracts signed before and after the completion of construction were 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. 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

4. It is passed by the Board Meeting in December 2021, and 2020, that the Company promised to donate NT$9,000 thousand and NT$6,000 thousand in 2022 and 2021, respectively, to Kindom Yu San Education Foundation for the promotion of foundation affairs.
5. In November 2021, the Company 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 Company 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.

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	-	170,771	170,771	-	189,447	189,447
Labor insurance and national health insurance	-	9,593	9,593	-	8,347	8,347
Pension expenses	-	4,430	4,430	-	4,234	4,234
Directors' remuneration	-	57,410	57,410	-	73,981	73,981
Other employee benefits expenses	-	10,536	10,536	-	10,614	10,614
Depreciation	4,611	13,491	18,102	4,611	8,508	13,119
Amortization	-	860	860	-	940	940

The Company's employee number and employee benefit expenses in 2021 and 2020 are as follows:

	2021	2020
Number of employees	97	96
Number of Board members who are not employee	5	5
Average employee benefit expense	$ 2,123	2,337
Average salary expense	$ 1,856	2,082
Average salary adjustment	(10.85)%	50.43%
Remuneration to supervisors	$ -	-

The Company’s salary and remuneration policy (including directors, managers, and employees) is as follows:

(1) Directors (including Independent Directors and other Directors):

1. The Board of Directors is authorized to determine the salary for the Directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry within Taiwan (R.O.C.). Remuneration for Independent Directors is paid on a monthly basis and is not involved in the annual director remuneration distribution.
2. If the Company has a profit for the year, no more than 2% shall be set aside as Directors’ compensation. However, if the Company has accumulated losses, the amount shall first be reserved in advance.

(2) Company employees (including managers and general employees):

1. Fixed salary (basic salary and various fixed allowances)
2. Bonuses (such as development bonuses, business sales bonuses, etc.)
3. Employee compensation: According to the Company’s Articles of Incorporation, if there is a profit, no less than 0.5% should be allocated as employee compensation, but when the company still has accumulated losses, it should reserve the loss recover amount in advance.
4. Others (compensation items provided based on special projects or special reasons, such as substitute supervisor allowance, transportation allowance, etc.)

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 Company 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 /guarantees provided to subsidiaries 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

Notes to the Parent Company Only Financial Statements of Kindom Development Co., Ltd. (continued)

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.

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				Remark
				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	
〃	Stock - Clientron Corp.	-	〃	29	973	0.05 %	973	
〃	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 %	-	
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	

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	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	None

Notes to the Parent Company Only Financial Statements of Kindom Development Co., Ltd. (continued)

	sale										price	

Notes to the Parent Company Only Financial Statements of Kindom Development Co., Ltd. (continued)

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	Name of transaction counterparty	Relationship	Transaction details: Purchases/sales	Transaction details: Amount (Note)	Transaction details: Percentage of total purchase (sales)	Transaction details: Loan period	Transactions with Terms Different from Others: Unit price	Transactions with Terms Different from Others: Loan period	Notes/accounts receivable (or payable): Balance	Notes/accounts receivable (or payable): Percentage of total notes/accounts receivable (or payable)	Remark
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%	
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 %	Per Payment Schedule in Contract or Equivalent to Other Transactions	〃	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)%	Received payment by installment per contract or equivalent to a general transaction	〃	〃	18,383	100.00%	
Guanqing Electromechanical Co., Ltd.	〃	〃	023A etc.	(170,686)	(94.81) %	〃	〃	〃	50,757	67.46%	

Note: Refers to the valuation amount for current period

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	-

9. Engaging in the trading in derivative instruments: none

(2) Information on Reinvestment:

The information on the enterprises by the venture capital of merged companies 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			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	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	116,210	97,636	〃
〃	Guan Cheng	Taiwan	Department stores, supermarkets, and non-store retailing	102,000	102,000	10,200	51.00%	157,285	65,871	33,594	〃
Kedge Construction	Jiequn Investment	Taiwan	Investment	163,935	163,935	16,396	99.98%	500,444	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	20,864	20,856	〃
Jiequn Investment Co., Ltd.	Dingtian Construction	Taiwan	The comprehensive construction industry, etc.	16,500	16,500	-	30.00%	14,422	(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	(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	(11,543)	(5,387)	Investments accounted for using equity method
Global Mall	Guan Cheng	Taiwan	Department stores,	98,000	98,000	9,800	49.00%	151,117	65,871	32,277	Subsidiary

Name of investor	Name of investee	Location	Principal business	Original investment amount		Ending shareholding			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			
			supermarkets, and non-store retailing								
〃	Guan You	Taiwan	Department stores, supermarkets, and non-store retailing	5,000	5,000	500	3.70%	95	(23,173)	(857)	Sub-subsidiary
〃	Guan Hua	Taiwan	Department stores, supermarkets, and non-store retailing	140,000	140,000	14,000	100.00%	142,225	1,419	1,419	〃
〃	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	234	234	〃
Guan Cheng	Guan You	Taiwan	Department stores, supermarkets, and non-store retailing	130,000	130,000	13,000	96.30%	2,468	(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	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))	-%	(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.
CNY 227,649	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

Please refer to the 2021 Consolidated Financial Statements.

Kindom Development Co., Ltd.

Statement of Cash and Cash Equivalents

For the year ended December 31, 2021 **Unit: NT$ thousand**

Refer to Note 6(1) for details.

Statement of Other Financial Assets - Current

Item	Description	Amount	Note
Bank deposits	Trust and reserve accounts	$ 1,034,608	
Refundable deposits	Refundable deposits for co-developments	531,198	
		$ 1,565,806	

Kindom Development Co., Ltd.

Statement of Inventories

For the year ended December 31, 2021 Unit: NT$ thousand

Item	Description	Amount
Prepayments for buildings and land		$ 4,235
Land held for construction	870C	11,656
	970D	520,883
	980M	12,412
	990J	211,953
	103A	166,522
	103E	156,781
	108C	30,300
	109B	1,497,118
	Others	6,438
	Less: Loss allowance	(5,003)
	Subtotal	2,609,060
Construction in progress	101A	4,463,117
	103C	460,919
	104A	514,903
	106A	481,374
	106B	1,204,501
	108A	88,737
	108B	832,901
	109B	157,496
	110A	75,623
	Others	140,803
	Subtotal	8,420,374
Buildings and land held for sale	970I	456,705
	101D	53,204
	830I	568,169
	980C	104,680
	980K	1,183,225
	980L	3,060,378
	980M	1,970,582
	980F	364,584
	103G	278,324
	101B	754,203
	950B	1,160,059
	105A	340,910
	Others	17,047
	Less: Loss allowance	(17,047)
	Subtotal	10,295,023
Total		**$ 21,328,692**

Kindom Development Co., Ltd.

Statement of Changes in Investments Accounted for Using Equity Method

For the year ended December 31, 2021 **Unit: NT$ thousand**

	Beginning Balance		Increase in the current period (Note 1)		Decrease in the current period (Note 2)		Ending Balance			Market Value or Net Equity		
Name	Shares (in thousands of shares)	Amount	Shares	Amount	Shares	Amount	Shares	Shareholding ratio	Amount	Unit price	Total Amount	Guarantee or Pledge
Kedge Construction Co., Ltd.	36,248	$ 723,754	-	311,817	-	131,031	36,248	34.18%	904,540	49.65	1,799,702	None
Global Mall Co., Ltd.	320,105	4,149,825	-	97,636	-	65,153	320,105	84.02%	4,182,308	12.99	4,157,298	Yes
Guancheng Life Co., Ltd.	10,200	160,104	-	33,594	-	36,413	10,200	51.00%	157,285	15.42	157,285	None
		$ 5,033,683		443,047		232,597			5,244,133		6,114,285	

Note 1. The increases for the year 2021 were the total of gains on investment accounted for using equity method in the amount of NT$417,232 thousand, capital reserve of subsidiaries accounted for using equity method in the amount of NT$37 thousand, cash dividends paid by the parent company to subsidiaries in the amount of NT$25,501 thousand, and other comprehensive income of subsidiaries accounted for using equity method in the amount of NT$277 thousand.

Note 2. The decreases for the year 2021 were the total of cash dividends received in the amount of NT$230,927 thousand and other comprehensive income of subsidiaries accounted for using equity method in the amount of NT$1,670 thousand.

Kindom Development Co., Ltd.

Statement of Short-term Borrowings

For the year ended December 31, 2021 Unit: NT$ thousand

Description	Type of Loan	Ending Balance	Term	Interest Rate	Collateral
Financial institutions	Credit loan	$ 1,500,000	2018.05.24~2023.05.24	Note 1	Other financial assets
〃	〃	1,000,000	2019.08.28~2022.08.28	〃	Other financial assets
〃	〃	1,713,667	2021.01.15~2023.04.26	〃	-
〃	〃	200,000	2021.09.01~2022.09.01	〃	-
	Subtotal	4,413,667			
Financial institutions	Secured bank loans	100,000	2019.07.03~2024.07.03	Note 2	Construction in progress and long-term equity instruments
〃	〃	2,377,448	2017.06.26~2023.12.31	〃	Construction in progress
〃	〃	1,075,085	2019.06.17~2022.07.26	〃	Buildings and land held for sale
〃	〃	487,500	2020.02.24~2023.06.05	〃	Property, plant and equipment and construction in progress
〃	〃	1,915,805	2021.03.26~2024.10.05	〃	Land held for construction and buildings and land held for sale
〃	〃	50,000	2020.05.26~2022.11.26	〃	Construction in progress and buildings and land held for sale
〃	〃	3,105,220	2021.01.21~2023.12.15	〃	Land held for construction, construction in progress and buildings and land held for sale
〃	〃	755,000	2020.07.28~2022.07.28	〃	Buildings and land held for sale
	Subtotal	9,866,058			
		$ 14,279,725			

Note 1. 1.05%～2.44%。

Note 2. 1.48%～1.90%。

Kindom Development Co., Ltd.

Statement of Contract Liabilities

For the year ended December 31, 2021 **Unit: NT$ thousand**

Item	Description	Amount	Note
Payments received in advance for sales of land and buildings	103G	$ 164,746	
	105A	99,262	
	830I	62,440	
	950B	415,831	
	980F	33,278	
	103C	117,245	
	101B	80,062	
	104A	65,753	
	Others	7,329	
Construction Payments	108A	9,767	
		$ 1,055,713	

Kindom Development Co., Ltd.

Statement of Bonds Payable

For the year ended December 31, 2021

Unit: NT$ thousand

Name of the Bond	Trustee	Issue date	Payment Term	Total issued	Repaid Amount	Ending Balance	Current Portion	Carrying amount	Repayment Method	Collateral
Ordinary Bond 106-1	Financial institutions	2018.01	Annual	1,000,000	-	1,000,000	-	1,000,000	Repayment in lump sum upon maturity	Reserve accounts
Ordinary Bond 107-1	〃	2018.10	〃	1,000,000	-	1,000,000	-	1,000,000	〃	Reserve accounts
Ordinary Bond 108-1	〃	2019.12	〃	1,000,000	-	1,000,000	-	1,000,000	〃	Secured by bank
Ordinary Bond 191-1	〃	2020.10	〃	1,000,000	-	1,000,000	-	1,000,000	〃	Secured by bank
Total				$ 4,000,000	-	4,000,000	-	4,000,000		

Kindom Development Co., Ltd.

Statement of Operating Revenue

For the year ended December 31, 2021 **Unit: NT$ thousand**

Item	Description	Amount	Note
Revenue from sales of land		$ 6,099,461	
Revenue from sales of building		9,789,361	
Less: Sales return or discount		(2,493)	
Subtotal		15,886,329	
Rental income	Investment Property	17,000	
Sales of construction contracts		187,440	
Other revenues	Commission and royalty income	14,785	
Total		**$ 16,105,554**	

Statement of Operating Costs

Item	Description	Amount	Note
Cost of land		$ 3,497,394	
Cost of building		7,865,333	
Subtotal		11,362,727	
Cost of lease	Depreciation of investment property	4,611	
Cost of construction contract		168,823	
Total		**$ 11,536,161**	

Kindom Development Co., Ltd.

Statement of Selling and Marketing Expenses

For the year ended December 31, 2021 **Unit: NT$ thousand**

Item	Description	Amount		Note
Salary expenses	Salaries and bonus	$	25,544	
Rental expenses			8,961	
Taxes and donations			5,923	
Advertising and commission expenses			198,729	
Others			15,969	
		$	**255,126**	

Statement of General and Administrative Expenses

Item	Description	Amount		Note
Salaries and pensions		$	207,067	
Insurances			10,126	
Labor costs			15,589	
Taxes and donations			57,955	
Depreciation			13,491	
Employee benefits			8,017	
Endowments			14,977	
Others			37,875	
		$	**365,097**	

VI. Any Financial Difficulties Experienced by the Company or its Affiliated Enterprises during the Most Recent Fiscal Year as of the Date of this Annual Report: None.

Chapter 7 Review and Analysis of Financial Position and Operating Results, and Risk Management

I. Financial position:

Comparative analysis on the Consolidated Financial Position

Unit: NT$ 1,000

Item \ Year	2020	2021	Difference	
			Amount	%
Current assets	46,414,826	43,223,807	(3,191,019)	(6.87)
Property, plant and equipment	6,586,166	6,503,236	(82,930)	(1.26)
Other assets	4,376,049	4,121,400	(254,649)	(5.82)
Total assets	57,377,041	53,848,443	(3,528,598)	(6.15)
Current liabilities	30,183,305	24,544,862	(5,638,443)	(18.68)
Non-current liabilities	9,828,179	9,307,948	(520,231)	(5.29)
Total liabilities	40,011,484	33,852,810	(6,158,674)	(15.39)
Equity capital	5,037,910	5,541,701	503,791	10.00
Capital surplus	1,396,097	1,421,924	25,827	1.85
Retained earnings	8,902,937	10,697,059	1,794,122	20.15
Other equity interest	(27,847)	(26,727)	1,120	(4.02)
Treasury stock	(71,196)	(71,196)	0	0.00
Non-controlling interests	2,127,656	2,432,872	305,216	14.35
Total shareholder's equity	17,365,557	19,995,633	2,630,076	15.15
Cause of an increase or decrease of 20% or more: Retained earnings: Mainly due to the increase in net income after tax of the continuing operations segment.				

II. Financial performance:

(I) Comparative analysis on the consolidated income statement:

Unit: NT$ 1,000

Item \ Year	2020	2021	Increase (decrease)	Change as percentage
Operating revenue	27,345,405	25,191,138	(2,154,267)	(7.88)
Operating costs	20,234,794	18,173,783	(2,061,011)	(10.19)
Gross profit from operations	7,110,611	7,017,355	(93,256)	(1.31)
Operating expenses	1,941,779	1,852,958	(88,821)	(4.57)
Operating benefits	5,168,832	5,164,397	(4,435)	(0.09)
Non-operating income and expenditure	(280,033)	(185,711)	94,322	(33.68)
Net income before tax from continuing operating department	4,888,799	4,978,686	89,887	1.84
Less: Income tax expenses	983,662	901,353	(82,309)	(8.37)
Add: Cumulative implications of changes to GAAP	-	-	-	-
After-tax net profit of continuing operations	3,905,137	4,077,333	172,196	4.41
Cause of an increase or decrease of 20% or more: Non-operating income and expenditure: Mainly due to the increase in valuation gain on financial assets.				

(II) Analysis on the change in gross operating profit

Unit: NT$ 1,000

	Increase or decrease in the previous or subsequent periods	Cause of the difference			
		Selling price difference	Cost difference	Sales portfolio variance	Quantity variance
Gross profit from operations	(93,256)	-	-	-	-
Analysis description: Analysis shows that such a variance was resulted from a decrease in the operating income of the building operation segment, the construction and operation segment and the department store segment.					

(III) Estimated sales volume in the coming year and its basis:

There are more than 10 projects including 980K, 980L, 980M, 830I, 950B, 103G, 105A, 103B, 980F, 100C, and 101B completed in the building operation segment, under construction or on pre-sale, with a total number of saleable households exceeding 320. The building operation segment has implemented nearly 20 projects from external customers, with a total contract value over NT$32 billion. With the sale, progress in construction and completion of the aforesaid projects, revenue and profits will be generated in the coming years. The department store segment can still maintain the momentum of operation and growth due to its ownership in seven shopping malls, the establishment of shopping malls in excellent areas of transportation hubs, the convenience of providing consumers with ONE-STOP SHOPPING, and the establishment of a full-customer shopping center in the sub-capital to meet customers' all-round needs such as shopping, feasting, entertainment and leisure, as well as various competitive niches such as spacious and elegant shopping environment, convenient parking, commodities meeting local consumption needs and rapid adjustment of the configuration of counter-based businesses.

III. Cash Flows:

(I) Analysis of liquidity for the last two years:

Item / Year	2020	2021	Increase (decrease) as percentage
Cash flow ratio (%)	32.75	36.82	12.43
Cash flow sufficiency ratio (%)	167.54	247.47	47.71
Cash re-investment ratio (%)	30.66	24.42	(20.36)

Cause of a material increase or decrease:
1. Cash flow ratio: Mainly due to the decrease in current liabilities.
2. Cash flow sufficiency ratio: Mainly due to the increase in net cash inflow from operating activities in the last five years.
3. Cash re-investment ratio: Mainly due to the increase in working capital.

(II) Corrective measures to be taken in response to illiquidity:

The consolidated cash inflow for 2021 was NT$4,569,813 thousand and the ending cash balance was NT$16,080,562 thousand, indicating normal liquidity.

(III) Cash liquidity analysis for the following year:

Unit: NT$ 1,000

Beginning cash balance (1)	Estimated Net Cash Flow from Operating Activities for the Year (2)	Estimated annual cash outflows (3)	Estimated cash surplus (shortage) (1)+(2)-(3)	Remedies for estimated cash shortage	
				Investment plans	Wealth management plans
16,080,562	8,382,861	8,111,096	16,352,327	-	-

Analysis of changes in cash flow in the coming year:

1. Operating activities: It is expected that the new projects, construction in progress or pre-sale projects will be completed successively in the coming year, resulting in net cash inflow generated from operating activities.
2. Cash outflows for the year: Taken into consideration of the impact of investment activities and financing activities, including the payment of cash dividends.

IV. The Implications of Major Capital Expenditures to Finance and Business in the Most Recent Year:

(I) Application of the Major Capital Expenditures and Capital Source:

More than NT$108,571 thousand required by the department stores to carry out renovation works in 2021 was financed by bank loans and funds generated from operations.

(II) Estimated potential benefits:

After a shopping mall renovation and introduction of new brands, the department store segment will provide consumers with more diversified goods, services and visual experience, and their operating income and profit growth can be expected.

V. The Latest Annual Reinvestment Policies, the Main Reasons for a Profit or Loss, Improvement Plans and Investment Plans for the Coming Year:

(I) The Company's reinvestments include an investment in Global Mall Co., Ltd., Guan Cheng Co., Ltd. and Kedge Construction Co., Ltd.. In 2021, for which the Company recognized the investment benefits respectively in the amount of NT$97,636 thousand NT$33,594 thousand and NT$286,002 thousand in proportion to the Company's shareholding therein.

(II) Global Mall Co., Ltd. set up Global Mall(Tianjin)Co., Ltd. in Tianjin, mainland China through KGM International Investment Co., Ltd. to lease the planned shopping mall from real estate developers Tianjin Chongbei Property Management Co., Ltd. and Tianjin River Property Management Co., Ltd. (Lessors) for 20 years from December of 2016. The arbitration mediation was completed on June 28, 2019. Both parties rescinded the lease contract and completed the shopping mall handover in July 2019. The margin has been collected in 2020 and the relevant profits and losses have been accounted for.

VI. Risk Issues in the Most Recent Year as of the Date of this Annual Report and an Analysis and Evaluation thereof:

(I) The impact of interest rate, exchange rate changes and inflation on the company's profits and losses and future countermeasures:

The short-term and long-term borrowings of the Consolidated Company are debts with interests at "benchmark interest rate" plus a "fixed overcharge". At present, benchmark interest rate for financial institutions is currently at a low level, and the Consolidated Company will actively strive for preferential interest rates from financing banks in the future to reduce interest costs for customers as the Consolidated Company is a customer wanted by financial institutions. In addition, the exchange rate risk to the Consolidated Company mainly comes from cash denominated in foreign currency and approximate cash, which generate foreign currency exchange gains or losses during conversion, so exchange rate changes have no significant impact on the consolidated gains or losses. The domestic inflation is still moderate, and the extent to which the profits and losses of the Consolidated Company are affected by it is not evident.

(II) Policies for engaging in high-risk, high-leverage investments, loan of funds to others, endorsement and guarantee, and derivatives trading, main reasons for profits or losses, and future countermeasures:

The Consolidated Company is committed to the development of the industry and has not engaged in high-risk, highly leveraged investments, loan of funds to others and derivatives transactions. In addition, the Consolidated Company shall, depending on the business needs, handle external endorsement and guarantee in accordance with the "Endorsement and Guarantee Procedures" and the regulations of the competent authority. The target mainly includes related companies, joint partners and companies with business contacts. Its operation and financial conditions are normal, and its performance capacity and solvency is not at risk.

(III) Future R&D plans and estimated R&D expenditures:

The Consolidated Company does not have a dedicated research and development department, but the technical research department or planning and design department is responsible for the planning and design of construction products, and the planning department and development department are responsible for the collection and development of market information.

In recent years, the building operation segment of the Consolidated Company has not only introduced the public works management system for site management, but also actively developed or introduced new construction methods and improved construction technologies to achieve the goals of shortening construction period, reducing pollution and improving efficiency. In order to improve competitiveness, it is estimated that NT$5,000,000 will be invested in the following projects in the coming year:

Item No.	Research planning
1	Application development and equipment for project information system integration
2	Use AI technology to assist occupational safety and health projects with high risk
3	Construction Management System App Mobilization
4	Development of IoT control system for construction personnel positioning
5	Research and development on quantity output of BIM-aided engineering
6	Introduction of civil engineering CIM (Civil 3D / Infraworks)
7	Introduction of conversion of UAV aerial images into numerical terrain data into research on BIM mapping data
8	Research and introduction of the FIM maintenance platform
9	Introduction of BIM mapping data in researches on loT technology application platform
10	Evaluation and Possibility of BIM Imported MR and Game Engine

In addition, since the construction industry and department store industry do not require R&D and design of new products for general manufacturing or high-tech industries, there is no related research and development cost incurred.

(IV) The impact of major policies and legal changes at home and abroad on the Company's finance and business and the countermeasures :

The management department of the Consolidated Company attaches great importance to information on political and economic developments and legal changes at home and abroad, and has a proper response capability. It has always abided by the relevant laws and regulations promulgated by the government and adheres to the principle of prudent operation to maintain sustainable development. Significant policy and legal changes at home and abroad in the recent year have not had a significant impact on the finance and business of the Consolidated Company.

(V) The impact of technological and industrial changes on the company's finance and business and countermeasures:

In response to technological and industrial changes, the Consolidated Company keeps abreast of market changes and actively obtains industrial information through various means to expand its business. At present, the Consolidated Company has not experienced any significant impact on the company's finance and business due to technological or industrial changes.

(VI) Impact of Corporate Image Change on Corporate Crisis Management and Countermeasures:

Since its establishment, the Consolidated Company has been committed to the business philosophy of "integrity, service, innovation and sustainability" to create a high-quality corporate image. The Consolidated Company has witnessed no change in its corporate image.

(VII) Expected benefit and possible risks from M&A and countermeasures: None.

(VIII)Expected benefit and possible risks from plant expansion and countermeasures: None.

(IX) Risks from centralized purchase and sale and countermeasures:

Due to the industrial characteristics and the need to control the quality of new construction projects, the construction operation segment appoints related company to undertake construction projects. Its construction technology level and financial condition are good. The construction and construction segment only needs to strengthen the control on its construction quality to avoid the risk of centralized purchase In addition, the sales target of construction projects is the general public and firms, so there is no centralized sales.

The building operation segment carefully evaluates the reputation, technical level and financial status of contractors and building materials suppliers. When necessary, it also contracts or supplies relatively large quantities of projects or building materials to several manufacturers to ensure the smooth progress of the project. In addition, the building operation segment will conduct a credit investigation on the owners before undertaking the project, and the owners are mainly government agencies, well-known electronic technology manufacturers and the parent company Kindom Construction. There is no risk of centralized sales.

The department store segment rents stores to hundreds of manufacturers to operate general merchandise , catering and entertainment. There is no centralized purchase and sales.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

(XI) Effect upon and risk to the Company associated with any change in the right of management, and countermeasures being or to be taken: None.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative events that: (1) involve the company and/or any company Director, any company supervisor, the General Manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.

1. Major pending litigation, non-litigation or administrative proceedings involved the Consolidated Company:

Subject matter	Cause and current status	Impact on the Company's Financial Operation
061M Project	The Consolidated Company was claimed compensation of NT$20,131,000 for the construction of 061M due to a work safety incident. However, there is no evidence. The case is currently under mediation.	There should be no significant implications.

2. If a Director, Supervisor, General manager, substantive person-in-charge, major shareholders holding more than 10% of the shares and affiliated companies involves a major decided or pending litigation, non-litigation or administrative proceeding, and the results may have a significant impact on shareholders' rights or securities prices, the facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the major parties involved in the litigation, and the handling status up to the date of publication of this Annual Report shall be disclosed: None.

(XIII)Other significant Risks and Countermeasures:

1. Risk management policies:

   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 Consolidated Company formulates the overall risk management policy in accordance with the operating strategy, operating environment and departmental plans, the main contents of which include the environmental aspect, internal and external operation process aspect and strategic decision-making aspect, 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. Organizational structure for risk management:

   Every level or department of the Consolidated Company is responsible for risk management. Once any risk is discovered, it shall be promptly reported the audit office or senior management and seek solutions as soon as possible. The decision makers shall also take actions in the shortest possible time.

   The organizational structure for risk management of the Consolidated Company is as follows:

Organization name	Responsibilities
Board of Directors	To develop risk management policies. To ensure the effective operation of the risk management mechanism and the allocation of resources.
Senior management	To implement the risk management decision of the Board of Directors.

Organization name	Responsibilities
	To coordinate in cross-departmental risk management.
Internal Audit	To conduct inspect the day-to-day risk management. To supervise risk management activities, and report the implementation status to the Board of Directors and the Audit Committee.
Others	To sort out the results of risk management activities. To perform day-to-day risk management. To determine the risk categories and draw up a commitment plan based on the changes in the environment.

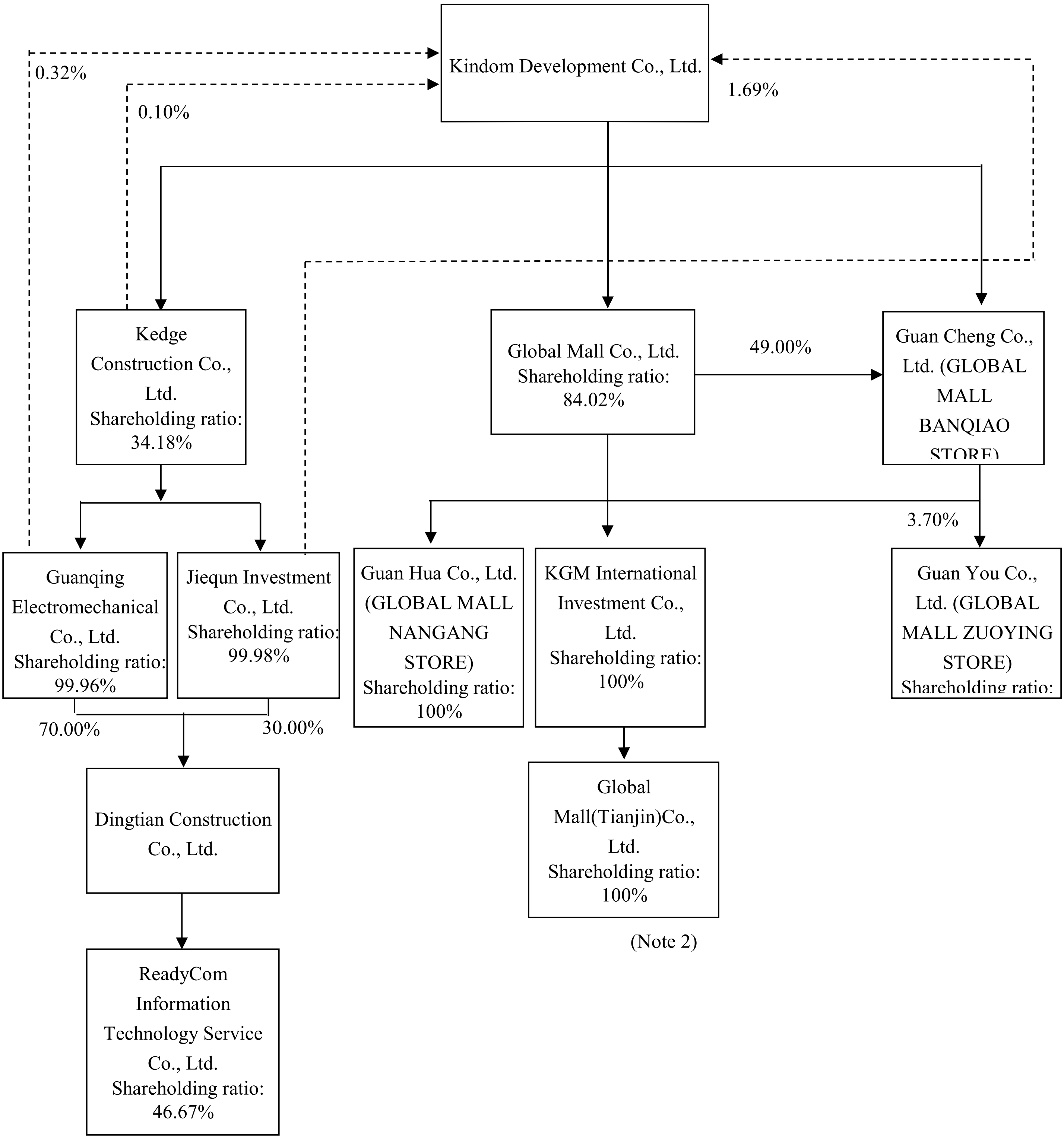
VII. Other important matters: None.

Chapter 8 Special Disclosure

I. Information of Affiliated Companies:

(I) Organization Chart of Related Companies (Note 1):

December 31, 2021



Note 1: In accordance with Article 369-2 of the Company Act, it is presumed that a company holding the majority of the total number of the outstanding voting shares or the total amount of the capital stock of another company is considered the controlling company, while the other company is considered a subordinate company.

Note 2: The cancellation of registration of Global Mall (Tianjin) Co., Ltd. was completed on April 19, 2021.

(II) Basic information of affiliated companies:

December 31, 2021 (Unit: NT$ 1,000)

Company name	Date of incorporation	Address	Paid-in capital	Principal business
Kindom Development Co., Ltd.	1979.11	2F., No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	5,541,701	1. Housing and building development, lease and sale. 2. Investment in public construction. 3. Section acquisition and rezoning of municipal land. 4. Sale of immovable property. 5. Lease of immovable property.
Kedge Construction Co., Ltd.	1982.04	3F., No. 131, Sec. 6, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	1,060,357	comprehensive construction etc.
Guanqing Electromechanical Co., Ltd.	1997.12	3F, No.131, Sec. 3, Heping East Rd, Taipei City (R.O.C.)	77,500	electrical equipment installation and fire safety equipment installation, etc.
Jiequn Investment Co., Ltd.	1998.01	3F, No.131, Sec. 3, Heping East Rd, Taipei City (R.O.C.)	164,000	general investment etc.
Dingtian Construction Co., Ltd.	1983.07	3F., No. 131, Sec. 8, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	23,000	comprehensive construction etc.
ReadyCom Information Technology Service Co., Ltd.	2008.05	6F.-1, No. 207, Dunhua N. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)	30,000	information, software services and management consulting etc.
Global Mall Co., Ltd.	2002.11	3F., No. 131, Sec. 8, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	3,810,000	Supermarket, department store, international trade, wholesale and retails of medical equipment, etc.

Company name	Date of incorporation	Address	Paid-in capital	Principal business
Guan Cheng Co., Ltd. (GLOBAL MALL BANQIAO STORE)	2009.03	-1F, 1F, 2F, 24F and 25F, No. 7, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City 220, Taiwan (R.O.C.)	200,000	Department stores, supermarkets and retail without stores, etc.
Guan You Co., Ltd. (GLOBAL MALL ZUOYING STORE)	2001.10	F24, No. 7, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City 220, Taiwan (R.O.C.)	135,000	Department stores, supermarkets and retail without stores, etc.
Guan Hua Co., Ltd. (GLOBAL MALL NANGANG STORE)	2005.07	3F., No. 131, Sec. 8, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	140,000	Department stores, supermarkets and retail without stores, etc.
KGM International Investment Co., Ltd.	2011.10	Unit 1502,15/F,Jubilee Centre,46 GloucesterRoad,Wan Chai,Hong Kong	9,339	Overall planning for investment in and operation of shopping malls in mainland China, supporting project consulting, shopping mall rental planning and consulting, etc.
Global Mall(Tianjin)Co., Ltd.	2014.02	101, Zone A, 1F, BLD 2, Zhonglian Industrial Park, Xiqing District, Tianjin City, P.R.China.	-	The cancellation of registration was completed on April 19, 2021.

(III) Information of shareholders determined to be in controlling and subordinating relations with the Company:

Unit: NT$ 1,000

Presumed reason	Name	Shareholding		Date of incorporation	Address	Paid-in capital	Principal business
		Number of shares	Shareholding ratio				
None							

(IV) Industries covered by business of affiliates:

1. Generally, the business of affiliates is dominated by housing and building development, lease and sale, comprehensive construction and shopping center.
2. Most construction projects of Kindom Development Co., Ltd. are undertaken by Kedge Construction Co., Ltd. and Dingtian construction Co., Ltd.

(V) Information on directors, supervisors and general managers of the affiliates:

December 31, 2021 (Unit: NT$ 1,000; thousand shares; %)

Company name	Title	Name or representative	Number of Shares Held/Capital Contribution	
			Number of shares/capital contribution	Shareholding/capital contribution ratio
Kindom Development Co., Ltd.	Chairman	Yu-De Investment Co. Legal representative: Mike Ma	105,935 9,900	19.12% 1.79%
	Director	Yu-De Investment Co. Legal representative: Mei-Chu, Liu	105,935 67,215	19.12% 12.13%
	Director and General Manager	Yu-De Investment Co. Legal representative: Ching-Chin, Hung	105,935 (Note)	19.12% -
	Director	Yu-De Investment Co. Legal representative: Sheng-An, Chang	105,935 9	19.12% -
	Director	Yu-De Investment Co. Legal representative: Ching-Fen, Chang	105,935 34	19.12% 0.01%
	Director	Yu-De Investment Co. Legal representative: Ming Chen	105,935 2,744	19.12% 0.50%
	Independent Director	Shen-Yu, Kung	-	-
	Independent Director	Hung-Chin, Huang	-	-
	Independent Director	Kuo-Feng, Lin	-	-
Kedge Construction Co., Ltd.	Chairman	Kindom Development Co., Ltd. Legal representative: Ai-Wei, Yuan	36,248 -	34.18% -
	Director	Kindom Development Co., Ltd. Legal representative: Mike Ma	36,248 1,831	34.18% 1.73%
	Director	Legal representative of Kindom Development Co., Ltd.: Mei-Chu, Liu	36,248 2,825	34.18% 2.66%
	Director	Kindom Development Co., Ltd. Legal representative: Ching-Sung, Tseng	36,248 -	34.18% -
	Director and General Manager	Kindom Development Co., Ltd. Legal representative:	36,248 -	34.18% -

Company name	Title	Name or representative	Number of Shares Held/Capital Contribution	
			Number of shares/capital contribution	Shareholding/capital contribution ratio
		Yi-Fang, Huang		
	Director and General Manager	Legal representative of Kindom Development Co., Ltd.: Shih-Hsuan, Chou	36,248 74	34.18% 0.07%
	Independent Director	Shen-Yu Kung	-	-
	Independent Director	Hung-Chin Huang	-	-
	Independent Director	Kuo-Feng Lin	-	-

Note: Holding 158 shares.

Company name	Title	Name or representative	Number of Shares Held/Capital Contribution	
			Number of shares/capital contribution	Shareholding/capital contribution ratio
Guanqing Electromechanical Co., Ltd.	Chairman	Kedge Construction Co., Ltd. Legal representative: Chin-Hua, Fan	7,747 -	99.96% -
	Director	Kedge Construction Co., Ltd. Legal representative: Mike Ma	7,747 -	99.96% -
	Director	Kedge Construction Co., Ltd. Legal representative: Jung-Tai, Chen	7,747 -	99.96% -
	Director	Kedge Construction Co., Ltd. Legal representative: Qian-Fang, Hwang	7,747 -	99.96% -
	Director	Kedge Construction Co., Ltd. Legal representative: Shu-Lian, Chang	7,747 -	99.96% -
	Supervisor	Ming-Nai Ma	-	-
Global Mall Co., Ltd.	Chairman	Kindom Development Co., Ltd. Legal representative: Mike Ma	320,105 -	84.02% -
	Director	Kindom Development Co., Ltd. Legal representative: Chin-Hua, Fan	320,105 -	84.02% -
	Director	Kindom Development Co., Ltd. Legal representative: Chun-Ming, Chen	320,105 -	84.02% -
	Director	Kindom Development Co., Ltd. Legal representative: Ching-Yuan, Lin	320,105 -	84.02% -
	Director	Kindom Development Co., Ltd. Legal representative: Yun-Chih, Tao	320,105 -	84.02% -
	Director	Kindom Development Co., Ltd. Legal representative: Chieh-Ting, Liu	320,105 -	84.02% -
	Director	Qilu Enterprise Co.,	54,095	14.20%

Company name	Title	Name or representative	Number of Shares Held/Capital Contribution	
			Number of shares/capital contribution	Shareholding/capital contribution ratio
		Ltd. Legal representative: Chang-Jung, Huang	-	-
	Supervisor	Jung-Tai, Chen	-	-
	Supervisor	Qiyang Development Co., Ltd. Legal representative: Kuo-Ping, Chen	(Note) -	- -

Note: Holding 100 shares.

Company name	Title	Name or representative	Number of Shares Held/Capital Contribution	
			Number of shares/capital contribution	Shareholding/capital contribution ratio
Jiequn Investment Co., Ltd.	Chairman	Kedge Construction Co., Ltd. Legal representative: Shu-Yuan, Lin	16,396 -	99.98% -
	Director	Kedge Construction Co., Ltd. Legal representative: Mike Ma	16,396 -	99.98% -
	Director	Kedge Construction Co., Ltd. Legal representative: Ming-Nai Ma	16,396 -	99.98% -
	Director	Kedge Construction Co., Ltd. Legal representative: Chun-Ming, Chen	16,396 -	99.98% -
	Director	Kedge Construction Co., Ltd. Legal representative: Wen-Yen, Lin	16,396 -	99.98% -
	Supervisor	Ko-Hou, Kuo	-	-
	Supervisor	Wen-Hsiung, Chou	-	-
Dingtian Construction Co., Ltd.	Chairman	Guanqing Electromechanical Co., Ltd. Legal representative: Shih-Hsuan, Chou	1,610 -	70.00% -
ReadyCom Information Technology Service Co., Ltd.	Chairman	Yu-Chang, Li	-	-
	Director	Ming-Nai, Ma	-	-
	Director	Ta-Lung, Ho	-	-
	Supervisor	Dingtian Construction Co., Ltd. Legal representative: Shau-Ling, Ma	1,400 -	46.67% -
Guan Cheng Co., Ltd. (GLOBAL MALL BANQIAO STORE)	Chairman	Kindom Development Co., Ltd. Legal representative: Yi-Hwa, Chen	10,200 -	51.00% -
	Supervisor	Global Mall Co., Ltd. Legal representative: Shu-Wen, Chiang	9,800 -	49.00% -
Guan You Co., Ltd. (GLOBAL MALL ZUOYING	Chairman	Guan Cheng Co., Ltd. (GLOBAL MALL BANQIAO STORE) Legal representative:	13,000 -	96.3% -

Company name	Title	Name or representative	Number of Shares Held/Capital Contribution	
			Number of shares/capital contribution	Shareholding/capital contribution ratio
STORE)		Yi-Hwa, Chen		
	Supervisor	Legal representative of Global Mall Co., Ltd.: Po-Chen, Fan Chiang	500 -	3.7% -
Guan Hua Co., Ltd. (GLOBAL MALL NANGANG STORE)	Chairman	Global Mall Co., Ltd. Legal representative: Yi-Hwa, Chen	14,000 -	100% -
	Supervisor	Global Mall Co., Ltd. Legal representative: Wan-Ching, Chen	14,000 -	100% -
KGM International Investment Co., Ltd.	Director	Global Mall Co., Ltd. Legal representative: Mike Ma	9,339(Note) -	100% -
	Director	Ta-Sung Liu	-	-
Global Mall(Tianjin)Co., Ltd.	Executive director	KGM International Investment Co., Ltd. Legal representative: Mei-Chi, Su	-(Note) -	100% -
	Supervisor	KGM International Investment Co., Ltd. Legal representative: Ta-Sung, Liu	-(Note) -	100% -

Note: The amount represents the capital contribution.

(VI) An overview of the operations of each affiliate

December 31, 2020 (Unit: NT$ 1,000) (except for earnings per share)

Company name	Capital	Total assets	Total liabilities	Net	Operating revenue	Operating (losses) profits	Gain or loss in current period (after tax)	Earnings per share (Nt$)(after tax)
Kindom Development Co., Ltd.	5,541,701	39,053,427	21,490,666	17,562,761	16,105,554	3,949,085	3,508,103	6.47
Kedge Construction Co., Ltd.	1,060,357	9,201,398	5,690,465	3,510,933	10,720,013	872,150	740,476	6.98
Guanqing Electromechanical Co., Ltd.	77,500	329,281	84,870	244,410	221,894	4,945	20,864	2.69
Jiequn Investment Co., Ltd.	164,000	501,386	831	500,555	39,138	38,533	38,059	2.32
Dingtian Construction Co., Ltd.	23,000	107,651	59,578	48,073	99,744	(825)	(6,114)	(Note 1)
ReadyCom Information Technology Service Co., Ltd.	30,000	57,971	25,572	32,399	52,676	(11,090)	(11,543)	(3.84)
Global Mall Co., Ltd.	3,810,000	10,989,324	6,041,163	4,948,161	820,507	117,586	116,210	0.31
Guan Cheng Co., Ltd. (GLOBAL MALL BANQIAO STORE)	200,000	1,155,525	847,124	308,401	264,751	111,560	65,871	3.29
Guan You Co., Ltd. (GLOBAL MALL ZUOYING STORE)	135,000	81,430	78,868	2,562	31,898	(16,767)	(21,673)	(1.61)
Guan Hua Co., Ltd. (GLOBAL MALL NANGANG STORE)	140,000	702,709	560,485	142,225	88,553	6,866	1,419	0.10
KGM International Investment Co., Ltd.	9,339	1,777	0	1,777	0	(391)	234	(Note 1)
Global Mall (Tianjin) Co., Ltd. (Note 2)	0	-	-	-	-	-	-	-

Note 1: It is a limited liability company.

Note 2: The cancellation of registration of Global Mall (Tianjin) Co., Ltd. was completed on April 19, 2021, and the remaining shares were remitted to Global Mall Co., Ltd. through Global Mall (Tianjin) in December of the same year.

(VII) Consolidated financial statements of related companies: The same as the Company's consolidated financial statements, so there is no need to repeat the preparation work.

(VIII)Related Company Report

Statement of Declaration

It is hereby declared that the Company's 2021 Affiliation Report (from January 1, 2021 to December 31, 2021) has been prepared in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises. No material inconsistency has been found between the information disclosed and the relevant information disclosed in the notes to the financial statements for the aforementioned period.

Hereby declared,

Company name:	Kindom Development Co., Ltd.
Chairman:	Mike Ma
Date:	March 25, 2022

2021 Affiliation Report of Kindom Development Co., Ltd. (See PDF in details)

Kindom Development Co., Ltd.

1. Organizational chart of related companies:

Yu-De Investment Co.

↓ 19.12%

Kindom Development Co., Ltd.

2. Summary of relations between subsidiaries and controlling companies:

December 31, 2021 (Unit: shares; %)

Name of controlling company	Reason	Shareholding and share pledge of controlling company			Directors, Supervisor or managers appointed by the controlling company	
		No. of shares held	Shareholding ratio	Number of shares subject to pledge	Title	Name
Yu-De Investment Co.	Directors in the Company appointed by the controlling company	105,935,137	19.12%	-	Chairman	Mike Ma
					Director	Mei-Chu Liu
					Director and General Manager	Ching-Chin Hung
					Director	Sheng-An Chang
					Director	Ching-Fen, Chang
					Director	Ming Chen

3. Transactions:
   (1) Purchase and sale of goods: None.
   (2) Property transaction: None.
   (3) Capital financing: None.
   (4) Asset leasing: None.
   (5) Other significant transactions: None.
4. Endorsement and guarantee: None.
5. Other Matters with a Significant Effect on Finances and Business: None.
6. Private placement of securities in the most recent year as of the date of this Annual Report: None.
7. Holding or disposal of the Company's stocks by a subsidiary in the most recent year as of the date of this Annual Report: None.
8. Other Necessary Supplements: None.
9. Events of significant impact on shareholders' equity or on prices of securities as specified under Subparagraph 2, Paragraph 2 of Article 36 of the Securities and Exchange Act in the Most Recent Year as of the Date of this Annual Report: None.

II. Private placement of securities in the most recent year as of the date of this Annual Report: None.

III. Holding or disposal of the Company's stocks by a subsidiary in the most recent year as of the date of this Annual Report:

March 31, 2022 (Unit: NT$ 1,000; shares; %)

Subsidiary name (Note 1)	Paid-in capital	Capital source	The Company's shareholding ratio	Date of acquisition or disposal	Number and amount of shares acquired (Note 2)	Number and amount of shares disposed (Note 2)	Gain (loss) from investment	Number and amount of shares held as of the end of the year or the publication date of the prospectus. (Note 3)	Pledges	Endorsed amount for the subsidiary	Amount loaned to the subsidiary
Guanqing Electromechanical Co., Ltd.	77,500	Cash	34.17%	2021	-Shares -NT$ 1,000	-Shares -NT$ 1,000	-	1,767,700 shares NT$66,731,000	None	-	-
				The current year as of the date of this Annual Report	-Shares -NT$ 1,000	-Shares -NT$ 1,000	-	1,767,700 shares NT$63,814,000	None	-	-
Kedge Construction Co., Ltd.	1,060,357	Cash	34.18%	2021	-Shares -NT$ 1,000	-Shares -NT$ 1,000	-	550,000 shares NT$20,763,000	None	-	-
				The current year as of the date of this Annual Report	-Shares -NT$ 1,000	-Shares -NT$ 1,000	-	550,000 shares NT$19,855,000	None	-	-
Jiequn Investment Co., Ltd.	164,000	Cash	34.17%	2021	-Shares -NT$ 1,000	-Shares -NT$ 1,000	-	9,373,084 shares NT$353,834,000	None	-	-
				The current year as of the date of this Annual Report	-Shares -NT$ 1,000	-Shares -NT$ 1,000	-	9,373,084 shares NT$338,368,000	None	-	-

Note 1: Please list separately according to the category of the subsidiary.

Note 2: The amount herein refers to the amount actually received or disposed.

Note 3: Holding and disposal shall be listed separately, including the final adjustment upon evaluation.

IV. Other Necessary Supplements: None.

Chapter 9 Events of Significant Impact on Shareholders’ Equity or Securities Prices in the most recent year as of the date of this Annual Report: None.