

**KINDOM DEVELOPMENT CO., LTD.
and Subsidiaries**

**Consolidated Financial Statements with
Independent Auditors' Review Report**

January 1 to September 30, 2022 and 2021

**Address: 2F., No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)
Tel: (02)2378-6789**

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Independent Auditors' Review Report

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

Introduction

We have audited the consolidated balance sheets of Kindom Development Co., Ltd. and its subsidiaries (Kindom Group) as of September 30, 2022, and 2021, the consolidated statements of comprehensive income for the three-month periods and the nine-month periods ended September 30, 2022 and 2021, consolidated statements of changes in equity, and consolidated statements of cash flows from January 1 to September 30, 2022 and 2021 as well as notes to the consolidated financial statements (including a summary of significant accounting policies) for the period then ended. It is the management's responsibility to prepare a set of fairly presented consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34 Interim Financial Reporting as endorsed, issued, and effected by the Financial Supervisory Commission (FSC). Our responsibility is to provide a conclusion on the consolidated financial statements based on our reviews.

Scope

We conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Since a review is substantially less in scope than an audit, we might not be fully aware of all material matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material aspects of the consolidated financial position of Kindom Group as of September 30, 2022 and 2021 and its consolidated financial performance from July 1 to September 30, 2022 and 2021, and from January 1 to September 30, 2022 and 2021, and its consolidated cash flows from January 1 to September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission.

The engagement partners on the reviews resulting in this independent auditors' review report are Yi-lien, Han and Kuo-Yang Tseng.

KPMG

Taipei, Taiwan

Republic of China

November 9, 2022

Notice to Readers

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

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

**As of September 30, 2022 and 2021 - only reviewed, not audited in accordance with
generally accepted auditing standards.**

KINDOM DEVELOPMENT CO., LTD. and Subsidiaries

Consolidated Balance Sheets

September 30, 2022, December 31, 2021, and September 30, 2021

Unit: NT\$ thousand

Assets	2022.9.30		2021.12.31		2021.9.30			Liabilities and Equity	2022.9.30		2021.12.31		2021.9.30	
	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:						
1100 Cash and cash equivalents (Notes 6(1) and (26))	\$ 16,221,107	30	16,080,562	30	13,362,914	25	2100 Short-term borrowings (Notes 6(14) & (26))	\$ 14,542,474	27	14,479,725	27	14,747,992	28	
1110 Financial assets measured at fair value through profit or loss - current (Notes 6(2) and (26))	82,947	-	124,600	-	109,976	-	2110 Short-term notes and bills payable (Notes 6(13) & (26))	30,000	-	-	-	-	-	
1140 Contract assets - current (Note 6(23))	1,874,793	4	1,975,776	4	1,915,679	4	2130 Contract liabilities - current (Note 6(23))	2,557,935	5	1,608,656	3	2,183,314	4	
1150 Notes receivable, net (Note 6(4) & (26))	576	-	275	-	3,896	-	2150 Notes payable (Note 6(26))	391,837	1	327,149	1	294,155	1	
1170 Accounts receivable, net (Notes 6(4), (23) and (26))	1,075,938	2	1,252,838	2	803,650	2	2170 Accounts payable (Note 6(26))	4,842,233	9	5,729,916	11	4,954,983	9	
1200 Other receivables (Note 6(26) and 7)	9	-	4,533	-	1,868	-	2200 Other payables (Note 6(26) and 7)	810,200	2	954,084	2	839,822	2	
1220 Current tax assets	11	-	28	-	33,287	-	2230 Current tax liabilities	482,571	1	693,349	1	564,319	1	
1300 Inventories - trading (Note 6(5))	15,466	-	9,789	-	15,158	-	2250 Provisions - current (Note 6(17))	176,591	-	181,626	-	174,187	-	
1320 Inventories - construction (Notes 6(5) & 8)	20,670,836	39	21,231,255	40	22,225,450	43	2251 Provisions for employee benefit - current (Note 6(19))	17,105	-	21,907	-	18,062	-	
1410 Prepayments	177,414	-	124,164	-	124,506	-	2280 Lease liabilities - current (Notes 6(16) & (26))	176,548	-	181,149	-	181,711	-	
1476 Other financial assets - current (Notes 6(12), (23), (26) & 8)	2,063,143	4	2,299,051	4	3,038,692	6	2320 Current portion of long-term debt due within one year or one operating period (Note 6(26))	16,336	-	16,336	-	16,336	-	
1479 Other current assets - others	131,052	-	70,039	-	63,219	-	2321 Current portion of convertible corporate bonds due within one year or one operating period (Notes 6(15) & (26))	1,000,000	2	-	-	-	-	
1480 Incremental costs of obtaining a contract - current (Note 6(12))	10,389	-	50,897	-	87,239	-	2322 Current portion of long-term borrowings due within one year or one operating period (Notes 6(12) & (24))	204,640	-	283,680	1	283,680	1	
	<u>42,323,681</u>	<u>79</u>	<u>43,223,807</u>	<u>80</u>	<u>41,785,534</u>	<u>80</u>	2399 Other current liabilities - others	35,243	-	67,285	-	69,463	-	
Non-current assets:								<u>25,283,713</u>	<u>47</u>	<u>24,544,862</u>	<u>46</u>	<u>24,328,024</u>	<u>46</u>	
1517 Financial assets at fair value through other comprehensive income - non-current (Notes 6(3) & (26))	11,231	-	12,464	-	9,774	-	Non-current liabilities:							
1550 Investments accounted for using the equity method (Note 6(6))	1,034,501	2	15,120	-	17,394	-	2530 Bonds payable (Notes 6(15) & (26))	3,000,000	6	4,000,000	7	4,000,000	8	
1600 Property, plant and equipment (Notes 6(8) and 8)	6,409,512	12	6,503,236	13	6,563,604	13	2540 Long-term borrowings (Notes 6(14) & (26))	1,594,360	3	1,833,560	3	1,904,480	4	
1755 Right-of-use assets (Note 6(9))	3,159,361	6	3,336,729	6	3,393,607	6	2580 Lease liabilities - non current (Notes 6(16) & (26))	3,170,849	6	3,340,967	6	3,369,482	6	
1760 Investment property (Notes 6(10) and 8)	463,413	1	501,662	1	502,791	1	2640 Defined benefit liabilities, net - non-current	2,945	-	2,935	-	2,486	-	
1780 Intangible assets (Note 6(11))	51,628	-	54,404	-	46,149	-	2645 Guarantee deposits (Note 6(26))	97,414	-	97,814	-	99,510	-	
1840 Deferred tax assets	59,550	-	66,996	-	58,974	-	2670 Other non-current liabilities - others (Note 6(26))	16,336	-	32,672	-	32,672	-	
1915 Prepayments for equipment	7,428	-	2,288	-	6,697	-		<u>7,881,904</u>	<u>15</u>	<u>9,307,948</u>	<u>16</u>	<u>9,408,630</u>	<u>18</u>	
1975 Defined benefit assets, net - non-current	2,395	-	2,438	-	3,353	-	Total liabilities	<u>33,165,617</u>	<u>62</u>	<u>33,852,810</u>	<u>62</u>	<u>33,736,654</u>	<u>64</u>	
1980 Other financial assets - non-current (Notes 6(26) & 8)	60,671	-	79,142	-	77,763	-	Equity attributable to owners of the parent company (Note 6(21))							
1995 Other non-current assets - others	50,188	-	50,157	-	50,160	-	3100 Share capital	5,541,701	10	5,541,701	10	5,541,701	11	
	<u>11,309,878</u>	<u>21</u>	<u>10,624,636</u>	<u>20</u>	<u>10,730,266</u>	<u>20</u>	3200 Capital reserve	1,451,569	3	1,421,924	3	1,421,924	3	
Total assets	<u>\$ 53,633,559</u>	<u>100</u>	<u>53,848,443</u>	<u>100</u>	<u>52,515,800</u>	<u>100</u>	3300 Retained earnings	10,913,416	20	10,697,059	20	9,645,220	18	
							3400 Other equity interest	(27,185)	-	(26,727)	-	(25,878)	-	
							3500 Treasury stock	(96,683)	-	(71,196)	-	(71,196)	-	
							Total equity attributable to owners of the parent company	<u>17,782,818</u>	<u>33</u>	<u>17,562,761</u>	<u>33</u>	<u>16,511,771</u>	<u>32</u>	
							36XX Non-controlling interests (Note 6(7))	2,685,124	5	2,432,872	5	2,267,375	4	
							Total equity	<u>20,467,942</u>	<u>38</u>	<u>19,995,633</u>	<u>38</u>	<u>18,779,146</u>	<u>36</u>	
							Total liabilities and equity	<u>\$ 53,633,559</u>	<u>100</u>	<u>53,848,443</u>	<u>100</u>	<u>52,515,800</u>	<u>100</u>	

(Refer to the subsequent Notes to the Consolidated Financial Statements)

Reviewed, not audited in accordance with generally accepted auditing standards.

KINDOM DEVELOPMENT CO., LTD. and Subsidiaries

Consolidated Statements of Comprehensive Income

July to September 30, 2022 and 2021, and January 1 to September 30, 2022 and 2021

Unit: NT\$ thousand

	Jul. - Sep. 2022		Jul. - Sep. 2021		Jan. - Sep. 2022		Jan. - Sep. 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue (Notes 6(18) and (23))	\$ 4,444,711	100	4,545,332	100	14,120,697	100	18,903,592	100
5000 Operating costs (Notes 6(5) and (19))	3,324,262	75	3,143,744	69	10,038,184	71	13,850,459	73
Gross profit	<u>1,120,449</u>	<u>25</u>	<u>1,401,588</u>	<u>31</u>	<u>4,082,513</u>	<u>29</u>	<u>5,053,133</u>	<u>27</u>
Operating expenses:								
6100 Selling and marketing expenses (Note 6(19))	32,972	1	47,153	1	171,332	1	163,108	1
6200 General and administrative expenses (Note 6(19))	402,580	9	403,961	9	1,211,802	9	1,201,682	6
6450 Expected credit loss (gain) (Note 6(4))	362	-	1,653	-	(2,026)	-	1,653	-
	<u>435,914</u>	<u>10</u>	<u>452,767</u>	<u>10</u>	<u>1,381,108</u>	<u>10</u>	<u>1,366,443</u>	<u>7</u>
Net operating income	<u>684,535</u>	<u>15</u>	<u>948,821</u>	<u>21</u>	<u>2,701,405</u>	<u>19</u>	<u>3,686,690</u>	<u>20</u>
Non-operating income and expenses:								
7100 Interest income (Note 6(25))	14,116	-	4,586	-	37,583	-	17,634	-
7010 Other income (Note 6(25))	6,967	-	1,792	-	7,330	-	4,727	-
7020 Other gains and losses (Note 6(25))	7,546	-	58,699	1	33,584	-	106,038	1
7050 Financial costs (Note 6(25))	(77,709)	(1)	(76,232)	(2)	(228,256)	(1)	(239,084)	(1)
7060 Share of profit and loss of associates and joint ventures accounted for using the equity method (Note 6(6))	116	-	(1,325)	-	(619)	-	(3,113)	-
	<u>(48,964)</u>	<u>(1)</u>	<u>(12,480)</u>	<u>(1)</u>	<u>(150,378)</u>	<u>(1)</u>	<u>(113,798)</u>	<u>-</u>
Profit before tax from continuing operating department	<u>635,571</u>	<u>14</u>	<u>936,341</u>	<u>20</u>	<u>2,551,027</u>	<u>18</u>	<u>3,572,892</u>	<u>20</u>
7950 Less: Income tax expense (Note 6(20))	<u>137,049</u>	<u>3</u>	<u>297,637</u>	<u>7</u>	<u>514,814</u>	<u>4</u>	<u>714,100</u>	<u>4</u>
Net income	<u>498,522</u>	<u>11</u>	<u>638,704</u>	<u>13</u>	<u>2,036,213</u>	<u>14</u>	<u>2,858,792</u>	<u>16</u>
8300 Other comprehensive income:								
8310 Items that will not be reclassified subsequently to profit or loss:								
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,100	-	742	-	(1,233)	-	2,035	-
8360 Items that may be reclassified subsequently to profit or loss:								
8361 Exchange differences on translation of financial statements of foreign operations	119	-	(55)	-	235	-	(669)	-
8300 Other comprehensive income (loss)(net of taxes)	<u>1,219</u>	<u>-</u>	<u>687</u>	<u>-</u>	<u>(998)</u>	<u>-</u>	<u>1,366</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 499,741</u>	<u>11</u>	<u>639,391</u>	<u>13</u>	<u>2,035,215</u>	<u>14</u>	<u>2,860,158</u>	<u>16</u>
Net profit attributable to:								
8610 Owners of the parent company	\$ 325,417	7	555,713	11	1,601,782	11	2,455,172	14
8620 Non-controlling interests	<u>173,105</u>	<u>4</u>	<u>82,991</u>	<u>2</u>	<u>434,431</u>	<u>3</u>	<u>403,620</u>	<u>2</u>
	<u>\$ 498,522</u>	<u>11</u>	<u>638,704</u>	<u>13</u>	<u>2,036,213</u>	<u>14</u>	<u>2,858,792</u>	<u>16</u>
Total comprehensive income attributable to:								
8710 Owners of the parent company	\$ 326,515	7	557,491	11	1,601,324	11	2,457,141	14
8720 Non-controlling interests	<u>173,226</u>	<u>4</u>	<u>81,900</u>	<u>2</u>	<u>433,891</u>	<u>3</u>	<u>403,017</u>	<u>2</u>
	<u>\$ 499,741</u>	<u>11</u>	<u>639,391</u>	<u>13</u>	<u>2,035,215</u>	<u>14</u>	<u>2,860,158</u>	<u>16</u>
9750 Basic earnings per share (in NT\$) (Note 6(22))	<u>\$ 0.60</u>		<u>1.02</u>		<u>2.95</u>		<u>4.53</u>	
9850 Diluted earnings per share (in NT\$) (Note 6(22))	<u>\$ 0.60</u>		<u>1.02</u>		<u>2.94</u>		<u>4.51</u>	

(Refer to the subsequent Notes to the Consolidated Financial Statements)

Reviewed, not audited in accordance with generally accepted auditing standards.
KINDOM DEVELOPMENT CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to September 30, 2022 and 2021

Unit: NT\$ thousand

Equity attributable to owners of parent

	Retained earnings					Other equity			Treasury stock	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
	Share capital of common stocks	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				
Balance as of January 1, 2021	\$ 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 profit	-	-	-	-	2,455,172	2,455,172	-	-	-	2,455,172	403,620	2,858,792
Other comprehensive income for the period	-	-	-	-	-	-	(562)	2,531	-	1,969	(603)	1,366
Total comprehensive income for the year	-	-	-	-	2,455,172	2,455,172	(562)	2,531	-	2,457,141	403,017	2,860,158
Appropriation of earnings:												
Legal reserve appropriated	-	-	335,191	-	(335,191)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	2,043	(2,043)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,209,098)	(1,209,098)	-	-	-	(1,209,098)	-	(1,209,098)
Share dividends of common stocks	503,791	-	-	-	(503,791)	(503,791)	-	-	-	-	-	-
Capital reserve adjusted for dividends distributed to subsidiary	-	25,501	-	-	-	-	-	-	-	25,501	-	25,501
Unclaimed dividends after effective period	-	326	-	-	-	-	-	-	-	326	71	397
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(263,369)	(263,369)
Balance as of September 30, 2021	\$ 5,541,701	1,421,924	2,151,969	27,847	7,465,404	9,645,220	(29,083)	3,205	(71,196)	16,511,771	2,267,375	18,779,146
Balance as of January 1, 2022	\$ 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
Net profit	-	-	-	-	1,601,782	1,601,782	-	-	-	1,601,782	434,431	2,036,213
Other comprehensive income for the period	-	-	-	-	-	-	197	(655)	-	(458)	(540)	(998)
Total comprehensive income for the year	-	-	-	-	1,601,782	1,601,782	197	(655)	-	1,601,324	433,891	2,035,215
Appropriation of earnings:												
Legal reserve appropriated	-	-	350,701	-	(350,701)	-	-	-	-	-	-	-
Special reserve reversed	-	-	-	(1,120)	1,120	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,385,425)	(1,385,425)	-	-	-	(1,385,425)	-	(1,385,425)
Changes in equity of associates and joint ventures accounted for under the equity method	-	(216)	-	-	-	-	-	-	-	(216)	(333)	(549)
Buyback of treasury stocks	-	-	-	-	-	-	-	-	(25,487)	(25,487)	-	(25,487)
Changes in capital reserve from dividends paid to subsidiaries	-	29,227	-	-	-	-	-	-	-	29,227	-	29,227
Unclaimed dividends after effective period	-	634	-	-	-	-	-	-	-	634	93	727
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(181,399)	(181,399)
Balance as of September 30, 2022	\$ 5,541,701	1,451,569	2,502,670	26,727	8,384,019	10,913,416	(29,455)	2,270	(96,683)	17,782,818	2,685,124	20,467,942

(Refer to the subsequent Notes to the Consolidated Financial Statements)

Reviewed, not audited in accordance with generally accepted auditing standards.

KINDOM DEVELOPMENT CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to September 30, 2022 and 2021

Unit: NT\$ thousand

	<u>Jan. - Sep. 2022</u>	<u>Jan. - Sep. 2021</u>
Cash flows from operating activities:		
Income before income tax	\$ 2,551,027	3,572,892
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation	311,575	317,340
Amortization	7,955	7,217
Expected credit losses (reversal gains)	(2,026)	1,653
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	41,653	(42,315)
Interest expenses	228,256	239,084
Interest income	(37,583)	(17,634)
Dividend income	(7,330)	(4,727)
Share of loss (gain) of associates and joint ventures accounted for using equity method	619	3,113
Gains on disposal of property, plant and equipment	-	(28)
Impairment losses on non-financial assets	-	6,000
Total adjustments to reconcile profit (loss)	<u>543,119</u>	<u>509,703</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in contract assets	100,983	(244,112)
Increase in notes receivable	(301)	(3,038)
Decrease in accounts receivable	178,926	1,420,676
Decrease (increase) in other receivables	4,524	(1,868)
Decrease in inventory	655,259	6,157,001
Decrease (increase) in prepayments	(53,946)	30,735
Increase in other current assets	(58,731)	(953)
Other financial assets - liquidity decrease (increase)	236,134	(776,794)
Decrease in the incremental costs to obtain contract with customers	40,508	33,799
Decrease in net defined benefit assets, non-current	43	47
Increase in other non-current assets	(31)	(51)
Total changes in operating assets	<u>1,103,368</u>	<u>6,615,442</u>
Total changes in operating liabilities:		
Increase (decrease) in contract liabilities	949,279	(3,402,333)
Increase (decrease) in notes payable	64,688	(95,716)
Decrease in accounts payable	(887,237)	(251,717)
Decrease in other payables	(87,032)	(334,887)
Decrease in employee benefit liabilities - current	(4,802)	(4,216)
(Decrease) increase in provisions - current	(5,035)	23,824
Increase (decrease) in other current liabilities	(32,042)	16,819
Increase (decrease) in net defined benefit liabilities	10	(3,493)
Decrease in other non-current liabilities	(16,336)	(16,336)
Total changes in operating liabilities	<u>(18,507)</u>	<u>(4,068,055)</u>
Total changes in operating assets and liabilities	<u>1,084,861</u>	<u>2,547,387</u>
Total adjustments	<u>1,627,980</u>	<u>3,057,090</u>
Cash flows generated from operations	<u>4,179,007</u>	<u>6,629,982</u>
Income taxes paid	<u>(720,411)</u>	<u>(819,225)</u>
Net cash flows from operating activities	<u>3,458,596</u>	<u>5,810,757</u>

Reviewed, not audited in accordance with generally accepted auditing standards.
KINDOM DEVELOPMENT CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows
January 1 to September 30, 2022 and 2021

Unit: NT\$ thousand

	Jan. - Sep. 2022	Jan. - Sep. 2021
Cash flows from investing activities:		
Payment returned on capital reduction of financial assets at fair value through other comprehensive income	-	992
Acquisition of investments accounted for using the equity method	(1,020,000)	-
Acquisition of property, plant, and equipment	(91,177)	(85,399)
Disposal of property, plant and equipment	-	76
Acquisition of intangible assets	(5,179)	(4,130)
Increase in prepayments for business facilities	18,471	54,517
Increase in prepayments for equipment	(5,140)	(4,596)
Interest received	37,357	18,040
Dividends received	7,330	4,727
Others investment activities	(549)	-
Net cash flows used in investing activities	(1,058,887)	(15,773)
Cash flows from financing activities:		
Increase in short-term loans	3,747,369	3,755,000
Decrease in short-term loans	(3,684,620)	(4,108,359)
Increase in short-term notes and bills payable	110,000	240,000
Decrease in short-term notes and bills payable	(80,000)	(240,000)
Redemption or repurchase of convertible corporate bonds	-	(1,500,000)
Issuance of long-term debt	5,000	-
Repayments of long-term loans	(323,240)	(186,840)
Increase (decrease) in guarantee deposits	(400)	5,091
Repayments of lease principal	(154,126)	(133,155)
Cash dividends distributed	(1,356,198)	(1,183,597)
Costs for buyback of treasury stocks	(25,487)	-
Interest paid	(316,298)	(326,921)
Changes in non-controlling interests	(181,399)	(263,369)
Net cash flows used in financing activities	(2,259,399)	(3,942,150)
Effects of exchange rate changes on the balance of cash and cash equivalents	235	(669)
Net increase in cash and cash equivalents	140,545	1,852,165
Cash and cash equivalents at beginning of the period	16,080,562	11,510,749
Cash and cash equivalents at end of the period	\$ 16,221,107	13,362,914

(Refer to the subsequent Notes to the Consolidated Financial Statements)

Reviewed, not audited in accordance with generally accepted auditing standards.

KINDOM DEVELOPMENT CO., LTD. and Subsidiaries

Notes to the Consolidated Financial Statements

From January 1 to September 30, 2022 and 2021

(In Thousands of New Taiwan Dollars, unless otherwise specified)

I. Company Overview

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.

II. Approval Date and Procedures of the Financial Statements

The consolidated financial statements were approved and issued on November 9, 2022 by the Board of Directors.

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

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

The Group has adopted the newly revised International Financial Reporting Standards ("IFRSs") specified above since January 1, 2022, and assessed that the adoption will not have 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"

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

The Group has assessed that the application of the following newly revised IFRSs, effective on January 1, 2023, will not have a material impact on the consolidated financial statements.

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

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

(III) 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"	Regulated by the current IAS 1, liabilities of a enterprise whose settlement can be deterred unconditionally for at least twelve months after the reporting period shall be classified as current. The amendments delete the regulation that the right shall be unconditional, and they change the regulation as the right shall exist and be substantive at the end of the reporting period. The amendments clarify how an enterprise should classify the liabilities that are settled by issuing its own equity instruments (such as convertible corporate bonds).	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the amendments to IAS 1 in 2020, the new amendments clarify that only contractual terms in compliance at or before the reporting date affect the classification of a liability as current or non-current. The contractual terms to which an enterprise is bound after the reporting date (that is, future terms) do not affect the classification of the liability at that date. However, when non-current liabilities are subject to future contractual terms, an enterprise needs to disclose information to help users of financial statements understand the risk that such liabilities may be repaid within twelve months following by the reporting date.	January 1, 2024

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.

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

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 IFRS 17, "Comparative Information for Initial Application of IFRS 17 and IFRS 9"
- Amendments to IFRS 16 "Rules in a Sale and Leaseback Transaction"

IV. Summary of Significant Accounting Policies

(I) Compliance statement

The consolidated financial statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter "the Regulations") and the IAS 34 - Interim Financial Reporting approved and issued by the FSC. The consolidated financial statements do not contain all necessary information that should be disclosed in the annual consolidated financial statements in accordance with the International Financial Reporting Standards, International Accounting Standard, and the explanations and interpretations endorsed by the FSC (hereinafter referred to as the "IFRSs endorsed by the FSC").

Apart from the matters described in the following paragraphs, the major accounting policies adopted by the consolidated financial statements are the same as those adopted by the 2021 consolidated financial statements. For related information, please refer to Note 4 to the 2021 consolidated financial statements.

(II) Basis of consolidation

1. Subsidiaries included in the consolidated financial statements:

Name of Investor	Subsidiary name	Main business and products	Percentage of ownership			Explanation
			2022.9.30	2021.12.31	2021.9.30	
The Company	Kedge Construction Co., Ltd. (Kedge Construction)	The comprehensive construction industry, etc.	34.18%	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%	84.02%	The subsidiary in which the company's voting share exceeds more than 50% of the subsidiary's issued shares.
The Company	Guan Cheng Co., Ltd. (GLOBAL MALL BANQIAO STORE) (Guan Cheng) (Note 1)	Department stores, supermarkets, and non-store retailing	- %	51.00%	51.00%	The subsidiary in which the Group's voting share exceeds more than 50% of the subsidiary's issued shares.

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

Name of Investor	Subsidiary name	Main business and products	Percentage of ownership			Explanation
			2022.9.30	2021.12.31	2021.9.30	
Kedge Construction	Jiequn Investment Co., Ltd. (Jiequn Investment)	Investment	99.98%	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%	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%	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 2)	Investment and operation of shopping mall in mainland China, including master planning, supporting engineering consulting, and leasing planning and consulting	100.00%	100.00%	100.00%	The subsidiary in which Global Mall's voting share exceeds more than 50% of the subsidiary's issued shares.
"	Guan Hua Co., Ltd. (GLOBAL MALL NANGANG STORE) (Guan Hua)	Department stores, supermarkets, and non-store retailing	100.00%	100.00%	100.00%	The subsidiary in which Global Mall's voting share exceeds more than 50% of the subsidiary's issued shares.
"	Guan Cheng (Note 1)	Department stores, supermarkets, and non-store retailing	100.00%	49.00%	49.00%	The subsidiary in which Global Mall's voting share exceeds more than 50% of the subsidiary's issued shares.
"	Guan You Co., Ltd. (GLOBAL MALL ZUOYING STORE) (Guan You) (Note 3)	Department stores, supermarkets, and non-store retailing	- %	3.70%	3.70%	The subsidiary in which the Group's voting share exceeds more than 50% of the subsidiary's issued shares.
KGM	Global Mall (Tianjin) Co., Ltd. (Note 4)	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.	- %	- %	- %	The subsidiary in which KGM's voting share exceeds more than 50% of the subsidiary's issued shares.
Guan Cheng	Guan You (Note 3)	Department stores, supermarkets, and non-store retailing	100.00%	96.30%	96.30%	The subsidiary in which Guan Cheng's voting share exceeds more than 50% of the subsidiary's issued shares.

Note 1: In line with the Group's operational needs, the Company sold 51% of its shares of Guan Cheng to Global Mall in June 2022.

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

Note 2: On December 24, 2021, the KGM Board of Directors decided to reduce capital by HK\$41,644 thousand to make up for the loss and reduce capital by cash by HK\$12,400 thousand (NT\$44,054 thousand). The aforementioned transactions have been filed with the Investment Review Committee for review.

Note 3: In line with the Group's operational needs, Global Mall sold 3.7% of its shares of Guan You to Guan Cheng in April 2022.

Note 4: Global Mall (Tianjin) Co., Ltd. completed the cancellation registration on April 19, 2021, and remitted the remaining shares to its parent company KGM in December of the same year.

2. List of subsidiaries which are excluded from the consolidated financial statements:
None

(III) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement is either a joint operation or a joint venture and has the following characteristics: (a) the parties are bound by a contractual arrangement; (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 "Joint arrangements" defines that joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (that is, the activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

Joint ventures

A joint venture is a joint arrangement whereby the parties (which are joint venturers) that have joint control of the arrangement have rights to the net assets of the arrangement, instead of having rights to the assets and obligations for the liabilities. A joint venturer shall recognize its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 unless the entity is exempted from applying the equity method as specified in that standard.

A joint operation is a joint arrangement whereby the parties (which are joint operators) that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint operator shall recognize and measure the assets and liabilities (and recognize the related revenues and expenses) in relation to its interest in the arrangement in accordance with relevant IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When the Group accesses the classification of joint arrangements, it considers the structure of the joint arrangement, the legal form of the separate vehicle, the terms of the contractual

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

arrangement, and other facts and circumstances. If facts and circumstances change, the Group shall reassess whether the type of joint agreement involved has changed.

(IV) Income tax

The Group measures and discloses the interim income tax expenses in accordance with Paragraph B12 of IAS 34 - Interim Financial Reporting.

Income tax expense is the best estimate of the amount that net profit before tax for the period multiplies by the management's best estimate of the annual effective tax rate. The income tax expense is fully recognized as current period tax expenses.

(V) Employee benefits

The pension of the defined benefit plan for the interim period is calculated based on the actuarial cost ratio determined by the actuarial calculation at the end of the previous fiscal year. Calculation term is from the beginning of the period to the end of the period, and adjustments will be made for post-period major market fluctuations, curtailment, settlement, or other significant one-time matters.

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

The preparation of the consolidated financial statements in conformity with IAS 34 - Interim Financial Reporting endorsed by the FSC requires management to make judgments, estimates, 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.

In preparing the consolidated financial statements, the significant judgments made by management when adopting the accounting policies of the Group and the major sources of uncertainty over estimation are consistent with Note 5 to the 2021 consolidated financial statements.

VI. Explanation of Significant Accounts

Apart from the matters described in the following paragraphs, the explanation of significant accounts in the consolidated financial statements bear no significant difference from those adopted by the 2021 consolidated financial statements. For related information, please refer to Note 6 to the 2021 consolidated financial statements.

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

(I) Cash and cash equivalents

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Petty cash and cash on hand	\$ 11,786	12,051	14,173
Bank deposits			
Check deposits	3,421,494	3,070,313	2,863,064
Demand deposits	4,338,518	7,657,754	6,635,785
Time deposits	6,205,575	-	10,500
Cash equivalents	<u>2,243,734</u>	<u>5,340,444</u>	<u>3,839,392</u>
	<u>\$ 16,221,107</u>	<u>16,080,562</u>	<u>13,362,914</u>

The maturity dates of the aforementioned cash equivalents are in the periods, October 2022, January to February 2022, and October to December 2021, and the interest rate collars are 0.71%~0.82%, 0.25%~0.27%, and 0.22%~0.25%, respectively.

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(26).

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

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Financial assets mandatorily measured at fair value through profit or loss:			
TWSE (or TPEX) listed company shares	<u>\$ 82,947</u>	<u>124,600</u>	<u>109,976</u>

1. For the gains or losses on remeasurement at fair value, please refer to Note 6(25).
2. Due to the aforementioned designated non-derivative financial assets mandatorily measured at fair value through profit or loss, the Group's recognized dividend income amounted to NT\$5,728 thousand, NT\$1,663 thousand, NT\$5,728 thousand, and NT\$4,334 thousand in the periods from July 1 to September 30, 2022 and 2021, and January 1 to September 30, 2022 and 2021, respectively.
3. As of September 30, 2022, December 31, 2021 and September 30, 2021, none of the financial assets of the Group has been pledged as collateral.

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

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

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Equity investments measured at FVTOCI:			
Domestic TWSE listed stock - preferred stocks of Fubon Financial Class C	\$ 1,844	1,944	-
Domestic TPEX listed stock - Clientron Corp.	633	973	517
Unlisted stock - Everterminal Co. Ltd.	2,935	2,914	4,186
Domestic non-listed stock - Commonwealth Publishing Group	5,819	6,633	5,071
Domestic non-listed stock - Huei Ding Computer	-	-	-
Total	<u>\$ 11,231</u>	<u>12,464</u>	<u>9,774</u>

1. Investments in equity instruments at fair value through other comprehensive income

The Group did not dispose of strategic investment in the period from January 1 to September 30, 2022 and 2021. The accumulated gains and losses in that period have not been transferred within the equity.

2. Due to the aforementioned designated equity instrument investments measured at fair value through other comprehensive income, the Group's recognized dividend income amounted to NT\$1,239 thousand, NT\$129 thousand, and NT\$1,602 thousand in the periods from July 1 to September 30, 2022 and 2021, and January 1 to September 30, 2022 and 2021.

3. For credit risk (including impairment of debt instrument investment) and market risk information, please refer to Note 6(26).

4. None of the aforementioned financial assets has been pledged as collateral.

(IV) Notes and accounts receivable

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Notes receivable	\$ 576	275	3,896
Accounts receivable	1,084,610	1,265,714	805,303
Less: Loss allowance	<u>(8,672)</u>	<u>(12,876)</u>	<u>(1,653)</u>
	<u>\$ 1,076,514</u>	<u>1,253,113</u>	<u>807,546</u>

The Group applies the simplified approach on the estimation of expected credit losses, that is, a loss allowance is recognized based on lifetime of expected credit losses. To measure the

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

expected credit losses, notes and accounts receivables were based on shared characteristics of credit risk on remaining payments before due date, and forward looking information was incorporated as well. The analysis on the expected credit loss of notes receivable and accounts receivable of the Group is as follows:

	2022.9.30		
	Carrying amount	Weighted average loss rate	Loss allowance for expected credit impairment of the period
Not past due	\$ 1,076,514	-	-
Past due more than 90 days	8,672	100%	8,672
	\$ 1,085,186		8,672
	2021.12.31		
	Carrying amount	Weighted average loss rate	Loss allowance for expected credit impairment of the period
Not past due	\$ 1,253,113	-	-
Past due more than 90 days	12,876	100%	12,876
	\$ 1,265,989		12,876
	2021.9.30		
	Carrying amount	Weighted average loss rate	Loss allowance for expected credit impairment of the period
Not past due	\$ 807,546	-	-
Past due more than 90 days	1,653	100%	1,653
	\$ 809,199		1,653

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

	Jan. - Sep. 2022	Jan. - Sep. 2021
Beginning balance	\$ 12,876	-
Impairment losses recognized	1,571	1,653
Reversal of impairment loss	(3,597)	-
Amounts written off as uncollectible during the year	(2,178)	-
Ending balance	\$ 8,672	1,653

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

As of September 30, 2022, December 31, 2021, and September 30, 2021, none of the accounts receivable of the Group has been pledged as collateral.

(V) Inventories

	2022.9.30	2021.12.31	2021.9.30
Inventory - trading	\$ 15,466	9,789	15,158
Inventory - construction			
Prepayment for buildings and land	4,235	4,235	4,235
Land held for construction	2,899,060	2,609,060	2,722,056
Construction in progress	10,903,099	8,519,284	10,113,075
Buildings and land held for sale	6,864,442	10,098,676	9,386,084
Subtotal	20,670,836	21,231,255	22,225,450
Total	\$ 20,686,302	21,241,044	22,240,608

From July 1 to September 30 and January 1 to September 30 2022, the loss due to the write-off of reversal of provision from inventory sale were NT\$0 and NT\$2,029 thousand, respectively. From July 1 to September 30 and January 1 to September 30, 2021, the loss due to the write-off of reversal of provision from inventory sale were both NT\$6,667 thousand, which were recognized as cost of goods sold.

The Group's construction in progress was calculated based on the capitalization rate of 1.870% and 1.765% for the periods from January 1 to September 30, 2022 and 2021, respectively. For the amount of capitalization, please refer to Note 6(25).

As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group entrusted the statutory parking spaces held for sale to other parties, which amounted to NT\$14,303 thousand, NT\$16,332 thousand and NT\$16,332 thousand, respectively.

As of September 30, 2022, December 31, 2021, and September 30, 2021, for information regarding the Group's inventories pledged as collateral, please refer to Note 8.

(VI) Investments accounted for using equity method

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

	2022.9.30	2021.12.31	2021.9.30
Associates	\$ 14,103	15,120	9,774
Joint ventures	1,020,398	-	-
	\$ 1,034,501	15,120	9,774

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

1. Joint ventures

The Group, CLEVO CO., and Hua Tai Investment Corporation, participated in the public urban renewal project of the E1E2 street corridor in the designated area of Taipei Main Station. According to the joint venture agreement, the three parties jointly established Tua Tiann Co., Ltd. As of September 30, 2022, the shareholding ratios were 51%, 24.5% and 24.5%, respectively, and the investment amounts were NT\$102,000 thousand, NT\$49,000 thousand and NT\$49,000 thousand, respectively.

The following table is a summary of Tua Tiann Co., Ltd.'s own financial information, as well as adjustments to fair value adjustments and differences in accounting policies at the time of acquisition. This represents a reconciliation of the aggregated financial information to the book value of the Group's interest in Tua Tiann Co., Ltd.

	2022.9.30	
Proportion of ownership interest	51%	
Current assets	\$	680,628
Non-current assets		1,320,180
Current liabilities		27
Non-current liabilities		-
	\$ 2,000,781	
Shares of net assets attributable to the Group	\$ 1,020,398	
Book value of joint ventures interest	\$ 1,020,398	
	Jul. - Sep. 2022	Jan. - Sep. 2022
Operating revenue	\$ -	-
Net income from units in continuing operations	\$ 781	781
Total comprehensive income	\$ 781	781
Interest income	\$ 790	790
Total comprehensive income attributable to the Group	\$ 398	398

2. Collateral

None of the investments accounted for using equity method of the Group has been pledged as collateral.

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

(VII) 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		
		2022.9.30	2021.12.31	2021.9.30
Kedge Construction Co., Ltd. and subsidiaries	Taiwan	65.82%	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:

	2022.9.30	2021.12.31	2021.9.30
Current assets	\$ 10,086,346	8,531,294	8,565,849
Non-current assets	566,280	746,449	783,791
Current liabilities	(6,819,797)	(5,576,580)	(5,821,624)
Non-current liabilities	(183,460)	(190,024)	(184,488)
Net assets	<u>\$ 3,649,369</u>	<u>3,511,139</u>	<u>3,343,528</u>
Carrying amount of non-controlling interests	<u>\$ 1,857,851</u>	<u>1,642,010</u>	<u>1,494,165</u>

	Jul. - Sep. 2022	Jul. - Sep. 2021	Jan. - Sep. 2022	Jan. - Sep. 2021
Operating revenue	<u>\$ 3,806,409</u>	<u>2,357,545</u>	<u>8,809,415</u>	<u>7,534,323</u>
Net profit	\$ 267,792	154,133	560,213	553,581
Other comprehensive income	(85,188)	43,489	(146,429)	102,290
Total comprehensive income	<u>\$ 182,604</u>	<u>197,622</u>	<u>413,784</u>	<u>655,871</u>
Net profit attributable to non-controlling interests in this period	<u>\$ 155,325</u>	<u>86,200</u>	<u>397,727</u>	<u>402,792</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 155,469</u>	<u>85,118</u>	<u>397,191</u>	<u>402,296</u>
Cash flows from operating activities	\$ 595,457	375,403	1,770,970	623,124
Cash flows from investing activities	10,399	(364)	6,051	(2,743)
Cash flows from financing activities	298,864	(82,427)	107,978	(233,663)
Net increase in cash and cash equivalents	<u>\$ 904,720</u>	<u>292,612</u>	<u>1,884,999</u>	<u>386,718</u>
Dividends paid to non-controlling interests	<u>\$ 181,449</u>	<u>251,236</u>	<u>181,449</u>	<u>251,236</u>

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

(VIII) Property, Plant, and Equipment

Details of changes in cost, depreciation, and impairment loss of property, plant and equipment of the Group are as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Leasehold improvements</u>	<u>Other equipment (including transportation equipment, office equipment, machinery, other equipment and leased assets)</u>	<u>Construction in progress</u>	<u>Total</u>
Cost or deemed cost:						
Balance as of January 1, 2022	\$ 3,567,078	4,355,494	1,047,652	391,669	3,452	9,365,345
Addition	-	9,079	5,841	24,321	7,682	46,923
Transfer from prepayments	-	339	-	357	-	696
Disposal and scrap	-	(21,345)	-	(4,407)	-	(25,752)
Adjustment of decoration works	-	-	(21,271)	377	(3,452)	(24,346)
Reclassifications	40,401	14,818	-	(811)	-	54,408
Balance as of September 30, 2022	<u>\$ 3,607,479</u>	<u>4,358,385</u>	<u>1,032,222</u>	<u>411,506</u>	<u>7,682</u>	<u>9,417,274</u>
Balance as of January 1, 2021	\$ 3,567,078	4,302,115	995,377	344,728	9,492	9,218,790
Addition	-	21,327	28,790	34,739	53,800	138,656
Transfer into (out of) construction in progress	-	-	33,035	9,803	(42,838)	-
Disposal and scrap	-	-	(300)	(2,093)	-	(2,393)
Balance as of September 30, 2021	<u>\$ 3,567,078</u>	<u>4,323,442</u>	<u>1,056,902</u>	<u>387,177</u>	<u>20,454</u>	<u>9,355,053</u>
Depreciation and impairment						
Losses						
Balance as of January 1, 2022	\$ -	1,857,836	755,840	248,433	-	2,862,109
Depreciation for the year	-	83,193	37,071	31,329	-	151,593
Disposal and scrap	-	(21,345)	-	(4,407)	-	(25,752)
Reclassifications	14,000	6,177	-	(365)	-	19,812
Balance as of September 30, 2022	<u>\$ 14,000</u>	<u>1,925,861</u>	<u>792,911</u>	<u>274,990</u>	<u>-</u>	<u>3,007,762</u>
Balance as of January 1, 2021	\$ -	1,730,573	692,172	209,879	-	2,632,624
Depreciation for the year	-	83,228	44,614	27,328	-	155,170
Disposal and scrap	-	-	(300)	(2,045)	-	(2,345)
Impairment loss	-	-	6,000	-	-	6,000
Balance as of September 30, 2021	<u>\$ -</u>	<u>1,813,801</u>	<u>742,486</u>	<u>235,162</u>	<u>-</u>	<u>2,791,449</u>
Carrying amount:						
January 1, 2022	<u>\$ 3,567,078</u>	<u>2,497,658</u>	<u>291,812</u>	<u>143,236</u>	<u>3,452</u>	<u>6,503,236</u>
September 30, 2022	<u>\$ 3,593,479</u>	<u>2,432,524</u>	<u>239,311</u>	<u>136,516</u>	<u>7,682</u>	<u>6,409,512</u>
January 1, 2021	<u>\$ 3,567,078</u>	<u>2,571,542</u>	<u>303,205</u>	<u>134,849</u>	<u>9,492</u>	<u>6,586,166</u>
September 30, 2021	<u>\$ 3,567,078</u>	<u>2,509,641</u>	<u>314,416</u>	<u>152,015</u>	<u>20,454</u>	<u>6,563,604</u>

1. Impairment loss

On September 30, 2021, the Group recognized an impairment loss of NT\$6,000 thousand on the related leasehold improvements. For details on the recognized impairment loss, please refer to Note 6(25).

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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2. Collateral

As of September 30, 2022, December 31, 2021, and September 30, 2021, for information regarding the details on the guarantees on financing amount limits, please refer to Note 8.

(IX) 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:

	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost of right-of-use assets:			
Balance as of January 1, 2022	\$ 3,884,636	16,789	3,901,425
Addition	2,939	2,233	5,172
Lease modifications	(25,765)	-	(25,765)
Transfer out - Lease expires	-	(2,281)	(2,281)
Balance as of September 30, 2022	<u>\$ 3,861,810</u>	<u>16,741</u>	<u>3,878,551</u>
Balance as of January 1, 2021	\$ 3,890,784	13,394	3,904,178
Addition	-	3,395	3,395
Balance as of September 30, 2021	<u>\$ 3,890,784</u>	<u>16,789</u>	<u>3,907,573</u>
Depreciation and impairment losses of the right-of-use assets:			
Balance as of January 1, 2022	\$ 555,481	9,215	564,696
Depreciation for the period	152,676	4,099	156,775
Transfer out - Lease expires	-	(2,281)	(2,281)
Balance as of September 30, 2022	<u>\$ 708,157</u>	<u>11,033</u>	<u>719,190</u>
Balance as of January 1, 2021	\$ 351,108	4,072	355,180
Depreciation for the period	155,029	3,757	158,786
Balance as of September 30, 2021	<u>\$ 506,137</u>	<u>7,829</u>	<u>513,966</u>
Carrying amount:			
January 1, 2022	<u>\$ 3,329,155</u>	<u>7,574</u>	<u>3,336,729</u>
September 30, 2022	<u>\$ 3,153,653</u>	<u>5,708</u>	<u>3,159,361</u>
January 1, 2021	<u>\$ 3,539,676</u>	<u>9,322</u>	<u>3,548,998</u>
September 30, 2021	<u>\$ 3,384,647</u>	<u>8,960</u>	<u>3,393,607</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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(X) 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, 2022	\$ 335,287	216,663	551,950
Property, Plant, and Equipment	(53,200)	(2,019)	(55,219)
Reclassifications	-	(831)	(831)
Balance as of September 30, 2022	<u>\$ 282,087</u>	<u>213,813</u>	<u>495,900</u>
Balance as of January 1, 2021	<u>\$ 335,287</u>	<u>216,663</u>	<u>551,950</u>
Balance as of September 30, 2021	<u>\$ 335,287</u>	<u>216,663</u>	<u>551,950</u>
Depreciation and impairment Losses			
Balance as of January 1, 2022	\$ -	50,288	50,288
Depreciation for the year	-	3,207	3,207
Property, Plant, and Equipment	-	(20,177)	(20,177)
Reclassifications	-	(831)	(831)
Balance as of September 30, 2022	<u>\$ -</u>	<u>32,487</u>	<u>32,487</u>
Balance as of January 1, 2021	\$ -	45,775	45,775
Depreciation for the year	-	3,384	3,384
Balance as of September 30, 2021	<u>\$ -</u>	<u>49,159</u>	<u>49,159</u>
	Land and improvements	Buildings	Total
Carrying amount:			
January 1, 2022	<u>\$ 335,287</u>	<u>166,375</u>	<u>501,662</u>
September 30, 2022	<u>\$ 282,087</u>	<u>181,326</u>	<u>463,413</u>
January 1, 2021	<u>\$ 335,287</u>	<u>170,888</u>	<u>506,175</u>
September 30, 2021	<u>\$ 335,287</u>	<u>167,504</u>	<u>502,791</u>

There is no significant difference between the fair value or the investment property of the Group and the information disclosed in Note 6(9) to the 2021 annual consolidated financial statements.

As of September 30, 2022, December 31, 2021 and September 30, 2021, for information regarding the Group's investment property pledged as collaterals, please refer to Note 8.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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(XI) Intangible assets

The changes in the costs and amortization of the Group's intangible assets are detailed as follows:

	<u>Franchise</u>	<u>Computer software and others</u>	<u>Total</u>
Carrying amount:			
January 1, 2022	<u>\$ 21,052</u>	<u>33,352</u>	<u>54,404</u>
September 30, 2022	<u>\$ 18,447</u>	<u>33,181</u>	<u>51,628</u>
January 1, 2021	<u>\$ 24,525</u>	<u>24,711</u>	<u>49,236</u>
September 30, 2021	<u>\$ 21,919</u>	<u>24,230</u>	<u>46,149</u>

There is no recognition or reversal regarding major acquisition, disposition, and impairment of the Group's intangible assets in the period from January 1 to September 30, 2022 and 2021. For the amount of amortization for the current period, please refer to Note 12. For other relevant information, please refer to Note 6(10) to the 2021 consolidated financial statements.

None of the intangible assets of the Group has been pledged as collateral.

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

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Other financial assets - current	\$ 2,063,143	2,299,051	3,038,692
Incremental costs of obtaining a contract	<u>10,389</u>	<u>50,897</u>	<u>87,239</u>
	<u>\$ 2,073,532</u>	<u>2,349,948</u>	<u>3,125,931</u>

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 are amortized when sales revenue is recognized. In the periods from January 1 to September 30, 2022 and 2021, the amortization costs recognized were NT\$45,398 thousand and NT\$63,427 thousand, respectively.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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(XIII) Short-term notes and bills payable

Details on short-term bills payable of the Group are as follows:

	2022.9.30	2021.12.31	2021.9.30
Commercial paper payable	\$ 30,000	-	-

In the periods from January 1 to September 30, 2022 and 2021, the increases in loans were NT\$110,000 thousand and NT\$240,000 thousand, respectively, with interest rate of 1.038% ~2.238% and 1.038% ~1.650%; the amounts of repayments were NT\$80,000 thousand and NT\$240,000 thousand, respectively.

(XIV) 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:

2022.9.30				
	Currency	Interest rate collars	Maturity year	Amount
Secured bank loans	NTD	1.79%~2.30%	2022~2027	\$ 11,627,318
Unsecured bank loans	NTD	1.45%~2.44%	2023~2024	4,714,156
Total				\$ 16,341,474
Current				\$ 14,747,114
Non-current				1,594,360
Total				\$ 16,341,474

2021.12.31				
	Currency	Interest rate collars	Maturity year	Amount
Secured bank loans	NTD	1.41%~1.90%	2022~2027	\$ 11,983,298
Unsecured bank loans	NTD	1.05%~2.44%	2022~2023	4,613,667
Total				\$ 16,596,965
Current				\$ 14,763,405
Non-current				1,833,560
Total				\$ 16,596,965

2021.9.30				
	Currency	Interest rate collars	Maturity year	Amount
Secured bank loans	NTD	1.41% ~ 1.90%	2021~2027	\$ 11,862,152
Unsecured bank loans	NTD	1.05% ~ 2.44%	2021~2023	5,074,000
Total				\$ 16,936,152
Current				\$ 15,031,672
Non-current				1,904,480
Total				\$ 16,936,152

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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1. Issuance and repayment of loans

In the periods from January 1 to September 30, 2022 and 2021, the increases in loans were NT\$3,752,369 thousand and NT\$3,755,000 thousand, respectively; the amounts of repayments were NT\$4,007,860 thousand and NT\$4,295,199 thousand, respectively.

2. Collateral

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

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

Details on corporate bonds payable are as follows:

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Secured ordinary corporate bonds - current	\$ 1,000,000	-	-
Secured ordinary corporate bonds - non-current	<u>3,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>
Total	<u>\$ 4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>

1. In the periods from January 1 to September 30, 2022 and 2021, the Group did not issue corporate bonds payable. For relevant information, please refer to Note 6(13) to the 2021 consolidated financial statements.

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

(XVI) Lease liabilities

The carrying amount of lease liability is as follows:

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Current	<u>\$ 176,548</u>	<u>181,149</u>	<u>181,711</u>
Non-current	<u>\$ 3,170,849</u>	<u>3,340,967</u>	<u>3,369,482</u>

For the details on the analysis of the maturity profile of lease liabilities, please refer to Note 6(26).

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

	<u>Jul. - Sep. 2022</u>	<u>Jul. - Sep. 2021</u>	<u>Jan. - Sep. 2022</u>	<u>Jan. - Sep. 2021</u>
Interest expense on lease liability	<u>\$ 15,218</u>	<u>15,918</u>	<u>44,990</u>	<u>48,194</u>
Expenses relating to short-term leases and low-value asset leases	<u>\$ 4,147</u>	<u>3,261</u>	<u>9,215</u>	<u>8,171</u>
Lease subsidies related to COVID-19 (other income)	<u>\$ 10,425</u>	<u>21,181</u>	<u>14,066</u>	<u>32,788</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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The amount of lease liabilities recognized in statements of cash flows is as follows:

	Jan. - Sep. 2022	Jan. - Sep. 2021
Variable lease payments not accounted for in lease liability	\$ <u>54,939</u>	<u>80,387</u>
Total cash used in lease	\$ <u>263,270</u>	<u>269,907</u>

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 according to the agreements. 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 Group and the Taiwan Railway Administration of the Ministry of Transportation and Communications (hereinafter referred to as TRA) signed an investment contract for the operation of the "New Zuoying Station Building". TRA provided the commercial space on the east and west sides of the shopping mall from the basement 1F to the ground 4F of the new Zuoying station building, and entrusted the Group to renovate (one-year) and operate (twelve-year). After the expiry, the operating right belongs to TRA. 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 for offices and stores from Taiwan Railways Administration under a service concession contract. The lease term is sixteen years and the lease payment is a fixed loyalty fee for the first four years with a 3% increment each year after. In addition to the fixed royalties, operating royalties need to be paid based on a certain percentage of revenue.
- (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

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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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.

(XVII) Provisions

	2022.9.30	2021.12.31	2021.9.30
Warranty provisions	\$ 176,591	181,626	174,187

There were no major changes in the Group's provisions in the periods from January 1 to September 30, 2022 and 2021. For relevant information, please refer to Note 6(15) to the 2021 consolidated financial statements.

The aforementioned provisions for warranties are mainly related to construction contracts and estimated based on the historical warranty claim data of various projects. These provisions are expected to be claimed within a year from the completion of construction projects.

(XVIII) Operating lease (lessor)

The Group leases 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(10) 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:

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	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Less than 1 year	\$ 9,726	5,789	4,737
1~2 years	9,726	5,726	-
2~3 years	9,726	5,726	-
3~4 years	9,726	5,726	-
4~5 years	9,726	5,726	-
Above 5 years	<u>31,748</u>	<u>18,768</u>	-
Non-discounted future cash flows of lease	<u>\$ 80,378</u>	<u>47,461</u>	<u>4,737</u>

The rent income generated from investment property for the periods from July 1 to September 30, 2022 and 2021 and from January 1 to September 30, 2022 and 2021 were NT\$2,265 thousand, NT\$2,746 thousand, NT\$5,191 thousand and NT\$9,359 thousand, respectively. There have not been major maintenance or repair expenses incurred.

(XIX) Employee benefits

1. Defined benefit plans

There were no major market fluctuations, significant reduction, liquidation or other one-time-only significant events in the previous fiscal year. Therefore, the Group measures and discloses the interim period pension costs based on the actuated amount on December 31, 2021 and 2020.

The details of the expenses recognized by the Group are as follows:

	<u>Jul. - Sep. 2022</u>	<u>Jul. - Sep. 2021</u>	<u>Jan. - Sep. 2022</u>	<u>Jan. - Sep. 2021</u>
Operating costs	<u>\$ 55</u>	<u>101</u>	<u>214</u>	<u>361</u>
Operating expenses	<u>\$ 98</u>	<u>81</u>	<u>989</u>	<u>1,001</u>

2. Defined benefit plans

The pension expenses under the Group's defined contribution plans are as follows, and have been appropriated to the Bureau of Labor Insurance.

	<u>Jul. - Sep. 2022</u>	<u>Jul. - Sep. 2021</u>	<u>Jan. - Sep. 2022</u>	<u>Jan. - Sep. 2021</u>
Operating costs	<u>\$ 4,933</u>	<u>4,022</u>	<u>13,626</u>	<u>12,300</u>
Operating expenses	<u>\$ 5,672</u>	<u>4,972</u>	<u>16,221</u>	<u>14,554</u>

3. Short-term compensated absences liabilities

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Short-term compensated absences liabilities	<u>\$ 17,105</u>	<u>21,907</u>	<u>18,062</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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(XX) Income tax

1. The details of the Group's income tax expenses are as follows:

	<u>Jul. - Sep. 2022</u>	<u>Jul. - Sep. 2021</u>	<u>Jan. - Sep. 2022</u>	<u>Jan. - Sep. 2021</u>
Current tax expenses				
Accrued in current period	\$ 125,868	169,462	351,951	439,654
Surtax on unappropriated earnings	-	84,128	110,645	84,820
Adjustments to income tax expenses of previous period	(21)	77	(2,677)	(3,002)
Land value increment tax	10,220	46,430	47,449	197,090
	<u>136,067</u>	<u>300,097</u>	<u>507,368</u>	<u>718,562</u>
Deferred income tax expenses				
Occurrence and reversal of temporary differences	982	(2,460)	7,446	(4,462)
Income tax expenses on units in continuing operation	<u>\$ 137,049</u>	<u>297,637</u>	<u>514,814</u>	<u>714,100</u>

2. The tax fillings of Kindom Development, Guanqing Electromechanical, Jiequn Investment, Dingtian Construction and Guan You 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.

(XXI) Capital and other equity interest

Apart from the matters described in the following paragraphs, there were no major changes in the Group's capital and other equity in the periods from January 1 to September 30, 2022 and 2021. For relevant information, please refer to Note 6(19) to the 2021 consolidated financial statements.

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.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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2. Capital reserve

The details of capital reserve were as follows:

	2022.9.30	2021.12.31	2021.9.30
Shares premium	\$ 827,906	827,906	827,906
Premium on conversion of corporate bonds	236,408	236,408	236,408
Treasury stock transactions	325,201	295,974	295,974
Gains on disposal of assets	34,912	34,912	34,912
Others	27,142	26,724	26,724
	\$ 1,451,569	1,421,924	1,421,924

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

According to the FSC regulations, 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,

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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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 September 30, 2022, the balance of special reserve was NT\$26,727 thousand.

(3) Earnings distribution

The 2021 and 2020 distributions of earnings were resolved at the shareholders' meetings on June 29 2022 and July 2, 2021, respectively. The dividends distributed to owners are as follows:

	2021		2020	
	Dividend rate (NT\$)	Amount	Dividend rate (NT\$)	Amount
Dividends to common shareholders:				
Cash	\$ 2.50	1,385,425	2.40	1,209,098
Stock	-	-	1.00	503,791
		\$ 1,385,425		1,712,889

4. Treasury stock

(1) The Company was approved by the board of directors on August 5, 2022 to buy back treasury shares of 1,000 thousand shares in total in order to transfer the shares to employees. The buy-back period was from August 8 to October 7, 2022. As of September 30, 2022, the Company has repurchased a total of 920 thousand shares, and the total amount of shares purchased was NT\$25,487 thousand. In addition, as of the expiry date of the repurchase period, the Company has repurchased all of them with a total purchase amount of NT\$27,520 thousand.

(2) As of September 30, 2022 and 2021, the Company's common stock held by the Group was as follows:

Subsidiary name	2022.9.30			Unit: thousands shares 2021.9.30		
	Number of shares	Carrying amount (Note)	Market value	Number of shares	Carrying amount (Note)	Market value
Kedge Construction Jiequn Investment Co., Ltd.	550	\$ 1,222	13,915	550	1,222	21,670
Guanqing Electromechani cal	9,373	55,384	237,139	9,373	55,384	369,300
	1,768	14,590	44,723	1,768	14,590	69,647
	11,691	\$ 71,196	295,777	11,691	71,196	460,617

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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Note: In addition, the total amount attributable to non-controlling interests was
NT\$137,036 thousand.

5. Other equity items (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-cont rolling interests	Total
Balance as of January 1, 2022	\$ (29,652)	2,925	(5,223)	(31,950)
The exchange differences yielded by net assets of overseas operating institutions	197	-	38	235
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(655)	(578)	(1,233)
Balance as of September 30, 2022	<u>\$ (29,455)</u>	<u>2,270</u>	<u>(5,763)</u>	<u>(32,948)</u>
Balance as of January 1, 2021	\$ (28,521)	674	(5,540)	(33,387)
The exchange differences yielded by net assets of overseas operating institutions	(562)	-	(107)	(669)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	2,531	(496)	2,035
Balance as of September 30, 2021	<u>\$ (29,083)</u>	<u>3,205</u>	<u>(6,143)</u>	<u>(32,021)</u>

(XXII) Earnings per share

The amounts of earnings per share and diluted earnings per share are as follows:

	Jul. - Sep. 2022	Jul. - Sep. 2021	Jan. - Sep. 2022	Jan. - Sep. 2021
Basic earnings per share				
Net profit attributable to the holders of common shares of the Company	<u>\$ 325,417</u>	<u>555,713</u>	<u>1,601,782</u>	<u>2,455,172</u>
Weighted average number of ordinary shares outstanding	<u>541,953</u>	<u>542,479</u>	<u>542,304</u>	<u>542,479</u>
	<u>\$ 0.60</u>	<u>1.02</u>	<u>2.95</u>	<u>4.53</u>
Diluted earnings per share				
Net profit attributable to the holders of common shares of the Company (diluted)	<u>\$ 325,417</u>	<u>555,713</u>	<u>1,601,782</u>	<u>2,455,172</u>
Weighted average number of ordinary shares outstanding	541,953	542,479	542,304	542,479
Influence of employees' share bonus	1,259	1,596	1,724	2,190
Weighted average number of ordinary shares outstanding (after adjusting the impact of diluting potential ordinary shares)	<u>543,212</u>	<u>544,075</u>	<u>544,028</u>	<u>544,669</u>
	<u>\$ 0.60</u>	<u>1.02</u>	<u>2.94</u>	<u>4.51</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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(XXIII) Revenue of Customer Contract

1. Disaggregation of revenue

	Jul. - Sep. 2022			
	Development business unit	Construction	Shopping mall	Total
Main regional markets:				
Taiwan	<u>\$ 797,863</u>	<u>3,268,501</u>	<u>378,347</u>	<u>4,444,711</u>
Main products/services:				
Sales of real estate developments	\$ 822,478	-	-	822,478
Sales of construction contracts	(27,696)	3,268,501	-	3,240,805
Sales commission from department store retailers	-	-	308,162	308,162
Service revenue	611	-	7,312	7,923
Rental income	2,470	-	34,087	36,557
Other income	-	-	28,786	28,786
	<u>\$ 797,863</u>	<u>3,268,501</u>	<u>378,347</u>	<u>4,444,711</u>
Timing of revenue recognition:				
Transfer of products upon a point in time	\$ 823,089	-	339,457	1,162,546
Gradually transferred revenue over time	2,470	-	38,890	41,360
Gradually transferred construction over time	(27,696)	3,268,501	-	3,240,805
	<u>\$ 797,863</u>	<u>3,268,501</u>	<u>378,347</u>	<u>4,444,711</u>
Main regional markets:				
Taiwan	<u>\$ 2,554,701</u>	<u>1,773,733</u>	<u>216,898</u>	<u>4,545,332</u>
Main products/services:				
Sales of real estate developments	\$ 2,509,560	-	-	2,509,560
Sales of construction contracts	42,892	1,773,047	-	1,815,939
Sales commission from department store retailers	-	-	182,151	182,151
Service revenue	-	-	770	770
Rental income	2,249	686	14,240	17,175
Other income	-	-	19,737	19,737
	<u>\$ 2,554,701</u>	<u>1,773,733</u>	<u>216,898</u>	<u>4,545,332</u>
Timing of revenue recognition:				
Transfer of products upon a point in time	\$ 2,509,560	-	203,973	2,713,533
Gradually transferred revenue over time	2,249	686	12,925	15,860
Gradually transferred construction over time	42,892	1,773,047	-	1,815,939
	<u>\$ 2,554,701</u>	<u>1,773,733</u>	<u>216,898</u>	<u>4,545,332</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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	Jan. - Sep. 2022			
	Development business unit	Construction	Shopping mall	Total
Main regional markets:				
Taiwan	<u>\$ 5,604,779</u>	<u>7,495,710</u>	<u>1,020,208</u>	<u>14,120,697</u>
Main products/services:				
Sales of real estate developments	\$ 5,544,655	-	-	5,544,655
Sales of construction contracts	41,102	7,495,721	-	7,536,823
Sales commission from department store retailers	-	-	829,361	829,361
Service revenue	13,234	-	20,025	33,259
Rental income	5,788	(11)	92,128	97,905
Other income	-	-	78,694	78,694
	<u>\$ 5,604,779</u>	<u>7,495,710</u>	<u>1,020,208</u>	<u>14,120,697</u>
Timing of revenue recognition:				
Transfer of products upon a point in time	\$ 5,557,889	-	913,835	6,471,724
Gradually transferred revenue over time	5,788	(11)	106,373	112,150
Gradually transferred construction over time	41,102	7,495,721	-	7,536,823
	<u>\$ 5,604,779</u>	<u>7,495,710</u>	<u>1,020,208</u>	<u>14,120,697</u>
Main regional markets:				
Taiwan	<u>\$ 12,808,602</u>	<u>5,355,281</u>	<u>739,709</u>	<u>18,903,592</u>
Main products/services:				
Sales of real estate developments	\$ 12,656,243	-	-	12,656,243
Sales of construction contracts	129,011	5,353,245	-	5,482,256
Sales commission from department store retailers	-	-	617,678	617,678
Service revenue	2,659	-	12,718	15,377
Rental income	8,563	2,036	47,696	58,295
Other income	12,126	-	61,617	73,743
	<u>\$ 12,808,602</u>	<u>5,355,281</u>	<u>739,709</u>	<u>18,903,592</u>
Timing of revenue recognition:				
Transfer of products upon a point in time	\$ 12,671,028	-	698,126	13,369,154
Gradually transferred revenue over time	8,563	2,036	41,583	52,182
Gradually transferred construction over time	129,011	5,353,245	-	5,482,256
	<u>\$ 12,808,602</u>	<u>5,355,281</u>	<u>739,709</u>	<u>18,903,592</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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2. Contract balances

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Accounts receivable	\$ 1,084,610	1,265,714	805,303
Less: Allowance for losses	<u>(8,672)</u>	<u>(12,876)</u>	<u>(1,653)</u>
Total	<u>\$ 1,075,938</u>	<u>1,252,838</u>	<u>803,650</u>
Contract assets - construction	\$ 1,874,793	1,975,776	1,915,679
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,874,793</u>	<u>1,975,776</u>	<u>1,915,679</u>
Contract liabilities - construction	\$ 1,781,013	454,424	806,527
Contract liabilities - buildings	647,840	1,045,946	1,274,948
Contract liabilities - gym	11,628	11,584	10,205
Contract liabilities - customer loyalty points	38,748	26,516	19,932
Contract liabilities - vouchers	<u>78,706</u>	<u>70,186</u>	<u>71,702</u>
Total	<u>\$ 2,557,935</u>	<u>1,608,656</u>	<u>2,183,314</u>

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

The changes in contract assets and contract liabilities are mainly due to the difference between the time when the Group transfers commodities or services to clients to meet the performance obligations and the time when clients pay. There were no other material changes during the periods from July 1 to September 30, 2022 and 2021, and from January 1 to September 30, 2022 and 2021.

As of September 30, 2022, 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\$138,872 thousand. Details on the trust accounts were as follows:

<u>Project code</u>	<u>2022.9.30</u>
104A	<u>\$ 138,872</u>

(XXIV) 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.

The estimated remunerations to employees amounted to NT\$5,080 thousand, NT\$28,193 thousand, NT\$31,857 thousand, and NT\$62,704 thousand, and the estimated remunerations

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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to directors amounted to NT\$5,080 thousand, NT\$28,193 thousand, NT\$31,857 thousand, and NT\$62,704 thousand for the periods from July 1 to September 30, 2022 and 2021, and from January 1 to September 30, 2022 and 2021, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the percentage which is stated under the Company's Article of Incorporation. These remunerations were expensed under operating expenses for each period. 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.

The actual distribution of employee remuneration amounted to NT\$53,929 thousand and NT\$70,829 thousand, and the actual distribution of director remuneration amounted to NT\$53,929 thousand and NT\$70,829 thousand for the years of 2021 and 2020. There is no difference between the estimation and the actual distribution. Please refer to the MOPS for relevant information.

(XXV) Non-operating income and expenses

1. Interest income

The details of interest income of the Group are as follows:

	<u>Jul. - Sep. 2022</u>	<u>Jul. - Sep. 2021</u>	<u>Jan. - Sep. 2022</u>	<u>Jan. - Sep. 2021</u>
Bank deposits (including short-term securities)	\$ 12,797	3,228	33,622	10,677
Loans and receivables	981	1,259	2,434	4,669
Construction refundable deposits (including deposits)	140	99	424	201
Other interest income	198	-	1,103	2,087
	<u>\$ 14,116</u>	<u>4,586</u>	<u>37,583</u>	<u>17,634</u>

2. Other income

The details of other income of the Group are as follows:

	<u>Jul. - Sep. 2022</u>	<u>Jul. - Sep. 2021</u>	<u>Jan. - Sep. 2022</u>	<u>Jan. - Sep. 2021</u>
Dividend income	\$ 6,967	1,792	7,330	4,727

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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3. Other gains or losses

The details of other gains or losses of the Group are as follows:

	<u>Jul. - Sep. 2022</u>	<u>Jul. - Sep. 2021</u>	<u>Jan. - Sep. 2022</u>	<u>Jan. - Sep. 2021</u>
Gains on foreign exchange	\$ 5,967	29	9,051	141
Net gain (loss) on financial assets measured at fair value through profit or loss	(15,582)	3,940	(41,653)	42,315
Gains (losses) on disposal of property, plant, and equipment	-	-	-	28
Impairment loss	-	-	-	(6,000)
Government grant income	10,476	30,309	14,338	41,916
Rental income	179	231	510	586
Other income	7,663	29,014	53,146	38,461
Others	(1,157)	(4,824)	(1,808)	(11,409)
	<u>\$ 7,546</u>	<u>58,699</u>	<u>33,584</u>	<u>106,038</u>

4. Finance costs

The details of financial costs of the Group are as follows:

	<u>Jul. - Sep. 2022</u>	<u>Jul. - Sep. 2021</u>	<u>Jan. - Sep. 2022</u>	<u>Jan. - Sep. 2021</u>
Interest expenses				
Bank loans	\$ 81,332	71,520	230,793	219,890
Interests on deposits in advance for public land development	29	40	63	86
Transaction fees and interests on corporate bonds	17,613	17,353	52,263	64,001
Lease liabilities	15,218	15,918	44,990	48,194
Others	196	293	664	768
Less: Capitalization of interest	(36,679)	(28,892)	(100,517)	(93,855)
	<u>\$ 77,709</u>	<u>76,232</u>	<u>228,256</u>	<u>239,084</u>

(XXVI) Financial Instruments

Apart from the matters described in the following paragraphs, there are no major changes in the fair value of the Group's financial instruments and matters exposed to credit risk, liquidity risk, and market risk due to financial instruments. For relevant information, please refer to Note 6(24) to the 2021 consolidated financial statements.

1. Liquidity risk

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

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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	<u>Book value</u>	<u>Contractual cash flows</u>	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>Over 5 years</u>
September 30, 2022						
Non-derivative financial liabilities						
Long-/short-term loans (including current portion due within one year)	\$ 16,341,474	16,815,605	7,154,989	7,700,339	1,960,277	-
Short-term notes and bills payable	30,000	30,000	30,000	-	-	-
Ordinary corporate bonds (including within one year)	4,000,000	4,047,994	1,003,078	2,026,784	1,018,132	-
Notes, accounts and other payables	6,044,270	6,044,270	4,210,156	1,834,114	-	-
Guarantee deposits received	97,414	97,414	-	97,414	-	-
Long-term debt (including current portion due within one year) and other non-current liabilities	32,672	32,892	16,490	16,402	-	-
Lease liabilities (including current portion)	<u>3,347,397</u>	<u>3,897,402</u>	<u>231,828</u>	<u>469,014</u>	<u>465,463</u>	<u>2,731,097</u>
	<u>\$ 29,893,227</u>	<u>30,965,577</u>	<u>12,646,541</u>	<u>12,144,067</u>	<u>3,443,872</u>	<u>2,731,097</u>
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)	<u>3,522,116</u>	<u>4,121,432</u>	<u>240,754</u>	<u>480,964</u>	<u>468,854</u>	<u>2,930,860</u>
	<u>\$ 31,277,052</u>	<u>32,381,911</u>	<u>13,521,623</u>	<u>13,139,546</u>	<u>2,089,260</u>	<u>3,631,482</u>
September 30, 2021						
Non-derivative financial liabilities						
Long-/short-term loans (including current portion due within one year)	\$ 16,936,152	17,390,634	8,533,945	7,482,336	599,957	774,396
Ordinary corporate bonds (including within one year)	4,000,000	4,081,293	-	2,031,540	2,049,753	-
Notes, accounts and other payables	6,088,960	6,088,960	4,402,047	1,686,913	-	-
Guarantee deposits received	99,510	99,510	-	99,510	-	-
Long-term debt (including current portion due within one year) and other non-current liabilities	49,008	49,470	16,578	32,892	-	-
Lease liabilities (including current portion)	<u>3,551,193</u>	<u>4,164,562</u>	<u>241,713</u>	<u>484,966</u>	<u>469,581</u>	<u>2,968,302</u>
	<u>\$ 30,724,823</u>	<u>31,874,429</u>	<u>13,194,283</u>	<u>11,818,157</u>	<u>3,119,291</u>	<u>3,742,698</u>

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.

2. 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

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and is the assessment by management regarding the reasonable and possible changes in interest rates.

For the periods from January 1 to September 30, 2022 and 2021, if the interest rate increases or decreases by 1%, while other factors remained unchanged, the Group's profit before tax would decrease or increase by NT\$122,561 thousand and NT\$127,021 thousand, respectively; net profit will decrease or increase by NT\$85,090 thousand and NT\$91,214 thousand, respectively, after capitalization of interest. This is mainly because the Group has floating rate loans.

3. Other 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:

<u>Securities price on the reporting date</u>	Jan. - Sep. 2022		Jan. - Sep. 2021	
	Other comprehensive income after tax	Net profit after tax	Other comprehensive income after tax	Net profit after tax
Increase by 10%	<u>\$ 1,123</u>	<u>8,295</u>	<u>977</u>	<u>10,998</u>
Decrease by 10%	<u>\$ (1,123)</u>	<u>(8,295)</u>	<u>(977)</u>	<u>(10,998)</u>

4. 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:

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	2021.12.31				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured 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	<u>\$ 31,277,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	2021.9.30				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 109,976	109,976	-	-	109,976
Financial assets at fair value through other comprehensive income	\$ 9,774	517	-	9,257	9,774
Financial assets at amortized cost					
Cash and cash equivalents	\$ 13,362,914	-	-	-	-
Notes and accounts receivable	809,414	-	-	-	-
Other financial assets-current	3,038,692	-	-	-	-
Other financial assets-non-current	77,763	-	-	-	-
Subtotal	17,288,783	-	-	-	-
Total	<u>\$ 17,408,533</u>	<u>110,493</u>	<u>-</u>	<u>9,257</u>	<u>119,750</u>
Financial liabilities measured at amortized costs					
Long-/short-term loans (including current portion due within one year)	\$ 16,936,152	-	-	-	-
Notes, accounts and other payables	6,088,960	-	-	-	-
Corporate bonds payable (including current portion)	4,000,000	-	-	-	-
Long-term payables (including current portion)	49,008	-	-	-	-
Lease liabilities (including current portion)	3,551,193	-	-	-	-
Guarantee deposits received	99,510	-	-	-	-
Total	<u>\$ 30,724,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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(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
January 1, 2022	\$ 9,547
September 30, 2022	\$ 8,754
January 1, 2021	\$ 8,236
September 30, 2021	\$ 9,257

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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 September 30, 2022 and 2021 are as follows:

	<u>Jul. - Sep. 2022</u>	<u>Jul. - Sep. 2021</u>	<u>Jan. - Sep. 2022</u>	<u>Jan. - Sep. 2021</u>
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")	\$ 1,242	774	(793)	2,013

(4) Transfer between different levels of Fair value hierarchy

As the shares held by the Group have active market quotations, they are classified as Level 1. In the periods from January 1 to September 30, 2022 and 2021, there were no changes to the levels of fair value hierarchy. Thus, there was no matter of transfer between levels in the periods from January 1 to September 30, 2022 and 2021.

(XXVII) Financial risk management

There is no significant difference between the goals and policies of the Group's financial risk management and the information disclosed in Note 6(25) to the 2021 consolidated financial statements.

(XXVIII) Capital management

The goals, policies and procedures of the Group's capital management are in line with the information disclosed in the 2021 annual consolidated financial statements. There is no significant difference between the aggregated quantitative data of the projects used as capital management in this period and the information disclosed in the 2021 consolidated financial statements. For relevant information, please refer to Note 6(26) to the 2021 consolidated financial statements.

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

The Group's non-cash investing and financing activities for the nine months ended September 30, 2022 and 2021 are as follows:

1. For details right-of-use assets obtained by lease, please refer to Note 6(9).
2. Acquisition of property, plant, and equipment were as follows:

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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	Jan. - Sep. 2022	Jan. - Sep. 2021
Acquisition of property, plant and equipment	\$ 46,923	138,656
Add: Payables on equipment, beginning	80,080	25,833
Less: Payables on equipment, end	(35,826)	(79,090)
	\$ 91,177	85,399

VII. Related-Party Transactions

(I) 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.
Tua Tiann Co., Ltd.	The Company is a joint venture of the Group.
ReadyCom Information Technology Service Co., Ltd.	Associates

(II) Transactions with related parties

1. The Group donated a total of NT\$17,750 thousand and NT\$13,500 thousand to other related parties in the period from January 1 September 30, 2022 and 2021 for the promotion of foundation affairs.
2. The Group leased part of the office building to other related parties and joint ventures. The rent income was NT\$24 thousand, NT\$15 thousand, NT\$52 thousand, and NT\$43 thousand for the periods from July 1 to September 30, 2022 and 2021, and from January 1 to September 30, 2022 and 2021.
3. The Group signed an information project consulting service contract with associates in December 2021, with a total contract value of NT\$50 thousand per month. The information project consulting service fee from January 1 to September 30, 2022 is NT\$450 thousand.

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

4. Situation of creditor's rights and debts

The details of creditor's rights and debts between the Group and the related parties are as follows:

Accounting Subject	Category and Name of Related Party	2022.9.30	2021.12.31	2021.9.30
Other receivables	Joint venture	\$ 9	-	-
Other payables	Associates	150	-	-
		\$ 159	-	-

(III) Key management personnel transactions

Remuneration to major management personnel includes:

	Jul. - Sep. 2022	Jul. - Sep. 2021	Jan. - Sep. 2022	Jan. - Sep. 2021
Short-term employee benefits	\$ 35,136	38,681	140,573	126,783
Benefits after retirement	65	85	205	239
	\$ 35,201	38,766	140,778	127,022

VIII. Pledged Assets

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

Name of assets	Pledge guarantee object	2022.9.30	2021.12.31	2021.9.30
Buildings and land held for sale	Bank loans	\$ 6,147,604	7,011,933	7,936,471
Land held for construction	"	1,739,371	1,709,071	1,709,071
Construction in progress	"	8,430,058	8,196,964	8,568,124
Investment properties and net value of property, plant, and equipment	Bank loans and corporate bonds payable	6,324,493	6,386,755	6,377,523
Other financial assets-current	Bank loans, pre-sales payments in trust accounts, guarantees, and corporate bonds payable	1,142,897	1,268,914	1,943,942
Other financial assets - non-current	Guarantees and pre-sales payments in trust accounts	50,795	50,595	50,595
		\$ 23,835,218	24,624,232	26,585,726

Note: The shares pledged as collateral for the subsidiary's bank borrowings and payments received in advance for sales of land and buildings amounted to 223,414 thousand shares, 223,414 thousand and 210,414 thousand shares as of September 30, 2022, December 31, 2021, and September 30, 2021.

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

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Significant unrecognized contract commitments:

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

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Amount of construction contracts	<u>\$ 41,930,660</u>	<u>40,826,050</u>	<u>24,822,736</u>
Amount of payments received	<u>\$ 13,286,711</u>	<u>5,372,426</u>	<u>5,116,868</u>

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

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Amount of sales contracts signed	<u>\$ 3,419,837</u>	<u>4,427,490</u>	<u>5,206,821</u>
Amount of payments received per contracts	<u>\$ 729,840</u>	<u>1,045,946</u>	<u>1,274,948</u>

3. For details on lease agreements of the Group's business in shopping mall management as of September 30, 2022, December 31, 2021, and September 30, 2021, please refer to Note 6(16). Details of the performance bond in relation to obligations under these agreements are as follows:

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Refundable notes	<u>\$ 232,550</u>	<u>232,550</u>	<u>232,550</u>

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

	<u>2022.9.30</u>	<u>2021.12.31</u>	<u>2021.9.30</u>
Refundable deposits	<u>\$ 690,103</u>	<u>531,160</u>	<u>626,047</u>
Refundable notes	<u>\$ 1,427,368</u>	<u>1,438,635</u>	<u>1,108,635</u>

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 of 2021, January of 2021, and December of 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. In November 2021, the Group signed a contract with Taiwan Power Company (Taipower) for the urban renewal project of the former site of Nangang (AR-1-2) of the Taipower northern storage and transportation center. According to the contract, the

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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Group is required to lease back all the commercial facilities (including parking spaces) that Taipower participated in the rights transformation and distribution, with a lease term of ten years and a renewal of ten years, and the lease contract for the relevant commercial facilities and premises is signed one year before the license is obtained.

8. As of September 30, 2022, the letters of credit of the Group opened but not used was amounted to USD 1,894 thousand.
9. The Group's joint venture (Tua Tiann Co., Ltd.) signed the "Taipei Station E1E2 Public Urban Renewal Project" contract with the Taipei Housing and Urban Renewal Center in September 2022. The Group bears joint and several liability for compensation and contract performance.

(II) Contingent liability:

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.

X. Significant Disaster Loss: None

XI. Significant Events after the End of the Balance Sheet Date: None

XII. Others

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

Function Nature	Jul. - Sep. 2022			Jul. - Sep. 2021		
	Operating costs	Operating Expenses	Total	Operating costs	Operating Expenses	Total
Employee benefit expenses						
Salaries and wages	155,845	142,769	298,614	109,748	174,580	284,328
Labor insurance and national health insurance	10,439	11,371	21,810	8,768	10,271	19,039
Pension expenses	4,988	5,770	10,758	4,123	5,053	9,176
Other employee benefits expenses	507	11,889	12,396	385	6,874	7,259
Depreciation	2,144	102,942	105,086	2,357	104,253	106,610
Amortization	-	2,623	2,623	-	2,413	2,413

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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Function Nature	Jan. - Sep. 2022			Jan. - Sep. 2021		
	Operating costs	Operating Expenses	Total	Operating costs	Operating Expenses	Total
Employee benefit expenses						
Salaries and wages	418,390	465,534	883,924	349,292	500,568	849,860
Labor insurance and national health insurance	31,156	33,293	64,449	27,396	29,828	57,224
Pension expenses	13,840	17,210	31,050	12,661	15,555	28,216
Other employee benefits expenses	1,293	25,097	26,390	971	21,390	22,361
Depreciation	6,444	305,131	311,575	7,597	309,743	317,340
Amortization	-	7,955	7,955	-	7,217	7,217

- (II) Seasonality of operation: The operation of the Group is not affected by seasonal or periodic factors.

XIII. Disclosure Notes

- (I) Information on significant transactions

In the period from January 1 to September 30, 2022, the Group shall disclose information related to material transactions pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers." Such information is as follows:

- Loans provided for others: None.
- Endorsements/Guarantees Provided 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
		Name of Company	Relationship (Note 1)										
1	Kedge Construction	Kindom Development	Parent company and subsidiary	7,298,400	14,192	14,192	14,192	-	0.39%	7,298,400	N	Y	N
2	Dingtian Construction	Kindom Development	Parent company and subsidiary	47,903	14,192	14,192	14,192	-	29.63%	47,903	N	Y	N
2	"	Kedge Construction	Parent company and subsidiary	7,185,389	1,376,500	1,376,500	1,376,500	-	2,873.52%	14,370,777	N	Y	N
3	Global Mall	Guan You	2	3,105,582	180,000	180,000	-	-	3.48%	6,211,164	Y	N	N
3	"	Guan Hua	2	3,105,582	110,000	110,000	20,000	-	2.13%	6,211,164	Y	N	N
3	Global Mall	Guan Cheng	2	3,105,582	61,550	61,550	61,550	-	1.19%	6,211,164	Y	N	N

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

- An entity with which it does business.
- A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- A company that directly or indirectly holds more than 50% of the voting shares in the Company.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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- (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.

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

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

Unit: NT\$ thousand/ thousand shares

Investing 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	28,696	- %	28,696	
"	Stock - Everterminal Co. Ltd.	-	Financial assets measured at FVTOCI - non-current	99	2,935	0.20 %	2,935	
"	Stock - Clientron Corp.	-	Financial assets measured at FVTOCI - non-current	29	633	0.05 %	633	
"	Stock - Fubon Financial Holding Co Ltd. Preferred Shares C	-	Financial assets measured at FVTOCI - non-current	12	668	- %	668	
Jiequn Investment Co., Ltd.	Stock - Fubon Financial Holding Co Ltd.	-	Financial assets at fair value through profit or loss - current	537	26,778	- %	26,778	
"	Stock - SinoPac Securities Corporation	-	Financial assets at fair value through profit or loss - current	213	3,689	- %	3,689	
"	Stock - Fubon Financial Holding Co Ltd. Preferred Shares C	-	Financial assets measured at FVTOCI - non-current	11	623	- %	623	
"	Stock - Huei Ding Computer	-	Financial assets measured at FVTOCI - non-current	405	-	0.78 %	-	
Guanqing Electromechanical	Stock - Fubon Financial Holding Co Ltd.	-	Financial assets at fair value through profit or loss - current	477	23,784	- %	23,784	
"	Stock - Fubon Financial Holding Co Ltd. Preferred Shares C	-	Financial assets measured at FVTOCI - non-current	10	553	- %	553	
"	Stock - Commonwealth Publishing Group	-	Financial assets measured at FVTOCI - non-current	160	5,819	0.59 %	5,819	

Note: If the 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:

Unit: NT\$ thousand/ thousand shares

Buyer/ Seller	Type and name of securities	Account title in book	Transaction counterparty	Relationship	Beginning of the period		Buy		Sell				End of period	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Carrying Cost	Gain (loss) on disposal	Number of shares	Amount
The Company	Stock	Investments accounted for using equity method	Tua Tiann	Joint venture	-	-	102,000	1,020,000	-	-	-	-	102,000	1,020,398

Note: The amount at the end of the period includes investment profits.

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 real estate at prices exceeding NT\$ 300 million or 20% of the paid-in capital:

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

Expressed in thousands of New Taiwan Dollars

Disposal of real estate company	Asset title	Date of event	Date of acquisition	Carrying amount	Transaction amount	Payment collection status	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	2022.09	Not applicable: inventories sold, not acquired	N/A	404,829	242,897	N/A	Client A	Non-related party	Selling inventories	Reference based on market price	None

Note 1. The amounts above are expressed before taxes.

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

Companies involved in purchases (Sales)	Name of transaction counterparty	Relationship	Transaction Situation				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	Contracting	1,426,075	49.55%	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	(679,745)	(63.26)%	Note 2
Kedge Construction	Kindom Development	Investor in which Kedge Construction is accounted for using equity method	Contracting	(1,426,075)	(13.90)%	Receive payment by installment per contract and slightly longer than a normal transaction	"	"	679,745	25.57%	"

Note 1. Refers to the valuation amount for the 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

The companies that record such transactions as receivables	Transaction counterparty	Relationship	Balance of receivables from related parties	Turnover Rate	Receivable Overdue		Amounts received in subsequent periods	Allowance for losses appropriated
					Amount	Action taken		
Kedge Construction	Kindom Development	Investor in which Kedge Construction is accounted for using equity method	679,745	3.43	-	-	102,375	-

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

9. Derivative financial instrument transactions: None.

10. Business relationships and significant interCompany transactions among parent and subsidiaries:

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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No.	Company name	Transaction counterparty	Relationship with trader	Transactions			As a percentage of consolidated revenue or total assets
				Ledger Account	Amount	Terms and conditions	
0	The Company	Kedge Construction	1	Cost of construction	1,310,255	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	9.28%
0	The Company	Kedge Construction	1	Buildings and land held for sale	87,334	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	0.16%
0	The Company	Kedge Construction	1	Construction in progress	147,930	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	0.28%
0	The Company	Kedge Construction	1	Notes and accounts payable-related parties	679,745	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	1.27%
1	Kedge Construction	The Company	2	Operating revenue	1,310,255	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	9.28%
1	Kedge Construction	The Company	2	Operating costs	235,264	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	1.67%
1	Kedge Construction	The Company	2	Notes and accounts receivable-related parties, contract assets	679,745	50% due immediately and 50% due in 60 days or 100% due immediately and 100% due in 90 days	1.27%
2	Global Mall	Guan Cheng	3	Accounts receivable-related parties	33,681	Once a year	0.06%
2	Global Mall	Guan Cheng	3	Operating revenue	30,327	Once a year	0.21%
3	Guan Cheng	Global Mall	3	Accounts payable-related parties	33,681	Once a year	0.06%
3	Guan Cheng	Global Mall	3	Operating expenses	30,327	Once a year	0.21%

Note 1. Instructions on numbering.

1. The parent company is numbered 0.
2. Subsidiaries are sorted in a numerical order starting from 1.

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

1. The parent company to subsidiaries.
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.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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(II) Information on investees:

The information on the Group's investees in the period from January 1 to September 30, 2022 is as follows:

Unit: NT\$ thousand/ thousand 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	39,873	34.18%	1,045,849	560,214	206,579	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%	4,373,707	229,660	192,954	"
"	Guan Cheng (Note 1)	Taiwan	Department stores, supermarkets, and non-store retailing	-	102,000	-	- %	-	77,393	23,516	Sub-subsiary
"	Tua Tiann (Note 3)	Taiwan	Real estate development business	1,020,000	-	102,000	51.00%	1,020,398	781	398	Investments accounted for using equity method
Kedge Construction	Jiequn Investment Co., Ltd.	Taiwan	Investment	163,935	163,935	16,396	99.98%	393,424	9,686	9,683	Sub-subsiary
"	Guanqing Electromechanical	Taiwan	Installation and engineering of electrical and fire safety equipment	81,326	81,326	7,747	99.96%	211,925	(9,550)	(9,547)	"
Jiequn Investment Co., Ltd.	Dingtian Construction	Taiwan	The comprehensive construction industry, etc.	16,500	16,500	-	30.00%	14,371	(170)	(51)	Third-tier subsidiary
Guanqing Electromechanical	Dingtian Construction	Taiwan	The comprehensive construction industry, etc.	11,105	11,105	-	70.00%	33,532	(170)	(119)	"
Dingtian Construction	ReadyCom Information Technology Service	Taiwan	Information software services and management consultants, etc.	15,000	15,000	1,400	46.67%	14,103	(2,180)	(1,017)	Investments accounted for using equity method
Global Mall	Guan Cheng (Note 1)	Taiwan	Department stores, supermarkets, and non-store retailing	280,886	98,000	20,000	100.00%	326,482	77,393	53,878	Sub-subsiary
"	Guan You (Note 2)	Taiwan	Department stores, supermarkets, and non-store retailing	-	5,000	-	- %	-	(10,266)	(101)	Third-tier subsidiary
"	Guan Hua	Taiwan	Department stores, supermarkets, and non-store retailing	140,000	140,000	14,000	100.00%	142,835	1,941	1,941	Sub-subsiary
Global Mall	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)	9,339 (HKD390 thousand)	- (Limited Company)	100.00%	1,852	(161)	(161)	Sub-subsiary
Guan Cheng	Guan You (Note 2)	Taiwan	Department stores, supermarkets, and non-store retailing	230,006	130,000	13,500	100.00%	92,296	(10,266)	(10,165)	Third-tier subsidiary

Note 1. In line with the Group's operational needs, the Company sold 51% of its shares of Guan Cheng to Global Mall in June 2022.

Note 2. In line with the Group's operational needs, Global Mall sold 3.7% of its shares of Guan You to Guan Cheng in April 2022.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,
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Note 3. According to the conditions of the development contract, the Company will invest in the establishment of Tua Tiann Co., Ltd. in 2022. Please refer to Note 6 (6) for details.

(III) Information on investments in Mainland China:

1. Relevant information, including names and principal business, on investees in China:
None.
2. Limitation on investment in mainland China:

Unit: Thousands of USD/RMB/NTD

Cumulative investment remitted from Taiwan to Mainland China at end of the year	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.
1,076,350 (CNY 227,649) (Note 1)	USD 38,738	10,669,691 (Note 2)

Note 1. Contains the investment amount from the dissolved company Global Mall (Tianjin) Co., Ltd., which has completed the cancellation registration on April 19th, 2021, and remitted the remaining amount of NT\$44,054 thousand (HK\$12,400 thousand) through its parent company KGM to Global Mall in December of the same year.

Note 2. The limited amount is capped at 60% of the parent company's net equity.

3. Significant transactions with investees in mainland China: None

(IV) Information on major shareholders:

Expressed in shares

Name of substantial shareholders	Shareholding No. of shares held	Shareholding ratio
Yu-De Investment Co.	105,935,137	19.12%
Mei-Chu Liu	67,215,292	12.13%

XIV. Segment Information

(I) 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.

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

(II) 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:

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

	Jul. - Sep. 2022				
	Development business unit	Construction	Shopping mall	Adjustments and elimination	Total
Revenue:					
Revenues from external customers	\$ 797,863	3,268,501	378,347	-	4,444,711
Inter-segment income	<u>1,692</u>	<u>537,908</u>	<u>16,691</u>	<u>(556,291)</u>	<u>-</u>
Total revenue	<u>\$ 799,555</u>	<u>3,806,409</u>	<u>395,038</u>	<u>(556,291)</u>	<u>4,444,711</u>
Reportable segment profits or loss	<u>\$ 401,385</u>	<u>329,101</u>	<u>110,991</u>	<u>(205,906)</u>	<u>635,571</u>

	Jul. - Sep. 2021				
	Development business unit	Construction	Shopping mall	Adjustments and elimination	Total
Revenue:					
Revenues from external customers	\$ 2,554,701	1,773,733	216,898	-	4,545,332
Inter-segment income	<u>1,692</u>	<u>583,812</u>	<u>6,741</u>	<u>(592,245)</u>	<u>-</u>
Total revenue	<u>\$ 2,556,393</u>	<u>2,357,545</u>	<u>223,639</u>	<u>(592,245)</u>	<u>4,545,332</u>
Reportable segment profits or loss	<u>\$ 786,591</u>	<u>201,271</u>	<u>4,376</u>	<u>(55,897)</u>	<u>936,341</u>

	Jan. - Sep. 2022				
	Development business unit	Construction	Shopping mall	Adjustments and elimination	Total
Revenue:					
Revenues from external customers	\$ 5,604,779	7,495,710	1,020,208	-	14,120,697
Inter-segment income	<u>5,076</u>	<u>1,313,705</u>	<u>44,783</u>	<u>(1,363,564)</u>	<u>-</u>
Total revenue	<u>\$ 5,609,855</u>	<u>8,809,415</u>	<u>1,064,991</u>	<u>(1,363,564)</u>	<u>14,120,697</u>
Reportable segment profits or loss	<u>\$ 1,952,570</u>	<u>720,187</u>	<u>257,227</u>	<u>(378,957)</u>	<u>2,551,027</u>

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

	Jan. - Sep. 2021				
	Development business unit	Construction	Shopping mall	Adjustments and elimination	Total
Revenue:					
Revenues from external customers	\$ 12,808,602	5,355,281	739,709	-	18,903,592
Inter-segment income	5,076	2,179,042	26,350	(2,210,468)	-
Total revenue	<u>\$ 12,813,678</u>	<u>7,534,323</u>	<u>766,059</u>	<u>(2,210,468)</u>	<u>18,903,592</u>
Reportable segment profits or loss	<u>\$ 3,009,805</u>	<u>691,230</u>	<u>50,210</u>	<u>(178,353)</u>	<u>3,572,892</u>
	Development business unit	Construction	Shopping mall	Adjustments and elimination	Total
Assets of reportable segments					
September 30, 2022	<u>\$ 38,101,168</u>	<u>10,652,626</u>	<u>11,756,355</u>	<u>(6,849,590)</u>	<u>53,660,559</u>
December 31, 2021	<u>\$ 39,053,427</u>	<u>9,277,743</u>	<u>12,773,455</u>	<u>(7,256,182)</u>	<u>53,848,443</u>
September 30, 2021	<u>\$ 38,299,261</u>	<u>9,349,640</u>	<u>12,127,739</u>	<u>(7,260,840)</u>	<u>52,515,800</u>
Reportable segment liabilities					
September 30, 2022	<u>\$ 20,318,351</u>	<u>7,003,257</u>	<u>6,580,385</u>	<u>(736,376)</u>	<u>33,165,617</u>
December 31, 2021	<u>\$ 21,490,666</u>	<u>5,766,604</u>	<u>7,514,330</u>	<u>(918,790)</u>	<u>33,852,810</u>
September 30, 2021	<u>\$ 21,787,488</u>	<u>6,006,112</u>	<u>6,998,452</u>	<u>(1,055,398)</u>	<u>33,736,654</u>