

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent
Auditors' Review Report

For the Three Months Ended March 31, 2022 and 2021

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Independent Auditors' Review Report

To: The Board of Directors and shareholders of Chien Kuo Construction Co., Ltd.

Introduction

We have reviewed the Consolidated Balance Sheets of Chien Kuo Construction Co., Ltd. and its subsidiaries as of March 31, 2022 and 2021, the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including the Summary of Significant Accounting Policies) for the three months period from January 1 to March 31, 2022 and 2021. Management is responsible for the preparation of a set of fairly presented financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express 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 consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant 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 of Chien Kuo Construction Co., Ltd. do not present fairly, in all material aspects the financial position of the entity as of March 31, 2022 and 2021, and of its consolidated financial performance for the three months period from January 1 to March 31, 2022 and 2021, and its consolidated financial performance and cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte Taiwan

CPA: Li-Chun CHANG

CPA: Wen-Chin Lin

Financial Supervisory Commission

Approval Document No.:

FSC Approval Document No. 1100356048

Securities and Futures Bureau Approval

Document No.:

Tai-Cai-Zheng-6 No. 0920123784

May10, 2022

Chien Kuo Construction Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2022, December 31, 2021, and March 31, 2021

Unit: NT\$ Thousands

Code	Assets	Reviewed by CPA on March 31, 2022		December 31, 2021 (Audited)		Reviewed by CPA on March 31, 2021	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note VI)	\$ 1,831,897	23	\$ 2,453,293	29	\$ 2,778,540	34
1110	Financial assets at fair value through profit or loss (Note VII)	2,179,735	27	1,830,044	22	1,591,502	20
1120	Financial assets at fair value through other comprehensive income (Note VIII)	47,258	-	23,126	-	26,891	-
1136	Financial assets measured at amortized cost (Note IX)	380,452	5	573,902	7	350,997	4
1140	Contract assets (Note XIX)	1,863,924	23	1,622,095	20	1,384,907	17
1150	Notes receivable (Note X)	8,460	-	34,536	-	142,258	2
1170	Accounts receivable (Notes X and XIX)	246,926	3	241,362	3	367,851	5
1200	Other receivables	6,781	-	27,817	-	31,189	1
1220	Current tax assets	114,844	1	110,984	1	110,844	1
1323	Inventories (for construction business) (Notes XI and XXVIII)	465,926	6	465,926	6	465,926	6
1410	Prepayments (Note XII)	137,690	2	119,411	2	72,469	1
1470	Other current assets	4,968	-	11,518	-	28,738	-
11XX	Total current assets	<u>7,288,861</u>	<u>90</u>	<u>7,514,014</u>	<u>90</u>	<u>7,352,112</u>	<u>91</u>
	Non-current assets						
1510	Financial assets at fair value through profit or loss (Note VII)	127,983	2	88,042	1	78,877	1
1517	Financial assets at fair value through other comprehensive income (Notes VIII and XXVIII)	452,503	6	525,553	6	432,626	5
1535	Financial assets measured at amortized cost (Notes IX and XXVIII)	-	-	-	-	4,281	-
1600	Property, Plant, and Equipment	32,584	1	33,847	1	33,734	1
1755	Right-of-use assets (Note XIV)	19,835	-	23,284	-	24,301	-
1760	Investment properties (Notes XV and XXVIII)	102,238	1	102,487	1	103,232	1
1840	Deferred tax assets	24,069	-	25,552	-	30,004	1
1990	Other non-current assets (Note XXVIII)	26,953	-	32,291	1	24,555	-
15XX	Total non-current assets	<u>786,165</u>	<u>10</u>	<u>831,056</u>	<u>10</u>	<u>731,610</u>	<u>9</u>
1XXX	Total assets	<u>\$ 8,075,026</u>	<u>100</u>	<u>\$ 8,345,070</u>	<u>100</u>	<u>\$ 8,083,722</u>	<u>100</u>
	Liabilities and Equity						
	Current liabilities						
2100	Short-term loans (Note XVI)	\$ 200,000	3	\$ 200,000	2	\$ 10,000	-
2110	Short-term notes and bills payable (Note XVI)	80,000	1	-	-	-	-
2130	Contract Liabilities (Note XIX)	255,511	3	287,695	3	156,771	2
2150	Notes payable	-	-	38,137	1	-	-
2170	Accounts payable (Note XVII)	1,353,736	17	1,649,752	20	1,471,524	18
2200	Other payables	117,400	1	281,237	3	142,348	2
2230	Current tax liabilities	69,324	1	52,091	1	36,903	-
2320	Current portion of long-term loans (Note XVI)	499,865	6	499,862	6	449,382	6
2399	Other current liabilities (Note XIV)	61,900	1	64,979	1	61,447	1
21XX	Total current liabilities	<u>2,637,736</u>	<u>33</u>	<u>3,073,753</u>	<u>37</u>	<u>2,328,375</u>	<u>29</u>
	Non-current liabilities						
2540	Long-term loans (Note XVI and XXVIII)	-	-	-	-	499,851	6
2570	Deferred tax liabilities	494,518	6	486,280	6	489,300	6
2600	Other non-current liabilities (Note XIV)	87,437	1	82,459	1	97,278	1
25XX	Total non-current liabilities	<u>581,955</u>	<u>7</u>	<u>568,739</u>	<u>7</u>	<u>1,086,429</u>	<u>13</u>
2XXX	Total liabilities	<u>3,219,691</u>	<u>40</u>	<u>3,642,492</u>	<u>44</u>	<u>3,414,804</u>	<u>42</u>
	Equity attributable to owners of the parent (Note XVIII)						
	Capital						
3110	Common stock	2,574,401	32	2,574,401	31	2,574,401	32
3200	Additional paid-in capital	204,852	3	204,852	2	204,852	2
	Retained Earnings						
3310	Legal reserve	682,772	8	682,772	8	645,464	8
3320	Special reserve	46,790	1	46,790	1	23,412	-
3350	Unappropriated earnings	1,236,248	15	1,181,539	14	1,177,196	15
3300	Total retained earnings	1,965,810	24	1,911,101	23	1,846,072	23
3400	Other equity	110,272	1	12,224	-	43,593	1
3XXX	Total equity	<u>4,855,335</u>	<u>60</u>	<u>4,702,578</u>	<u>56</u>	<u>4,668,918</u>	<u>58</u>
	Total liabilities and equity	<u>\$ 8,075,026</u>	<u>100</u>	<u>\$ 8,345,070</u>	<u>100</u>	<u>\$ 8,083,722</u>	<u>100</u>

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

Chairman: Chang-shiou WU

Manager: Shih-ning TUNG

Accounting Manager: Lin-Ju LIN

Chien Kuo Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Three Months Ended March 31, 2022 and 2021
(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing
Standards in the Republic of China)
Unit: NT\$ Thousands, except for Earnings per share (in Dollars)

Code		January 1 to March 31, 2022		January 1 to March 31, 2021	
		Amount	%	Amount	%
4000	Operating revenue (Note XIX)	\$ 1,077,186	100	\$ 1,192,248	100
5000	Operating costs (Notes XX and XXVII)	<u>917,260</u>	<u>85</u>	<u>1,070,028</u>	<u>90</u>
5900	Gross profit	159,926	15	122,220	10
6000	Operating expenses (Notes XX and XXVII)	<u>67,965</u>	<u>6</u>	<u>68,958</u>	<u>6</u>
6900	Net operating income	<u>91,961</u>	<u>9</u>	<u>53,262</u>	<u>4</u>
	Non-operating income and expenses (Notes XX and XXVII)				
7010	Other income	17,051	1	16,182	1
7020	Other gains and losses	(55,891)	(5)	139,207	12
7050	Finance costs	(<u>1,995</u>)	<u>-</u>	(<u>2,446</u>)	<u>-</u>
7000	Total non-operating income and expenses	(<u>40,835</u>)	(<u>4</u>)	<u>152,943</u>	<u>13</u>
7900	Income before income tax	51,126	5	206,205	17
7950	Income tax expense (Note XXI)	<u>4,799</u>	<u>1</u>	<u>67,797</u>	<u>5</u>
8200	Net income	<u>46,327</u>	<u>4</u>	<u>138,408</u>	<u>12</u>

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Code		January 1 to March 31, 2022		January 1 to March 31, 2021	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 18,286	2	\$ 36,936	3
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	110,180	10	81,154	7
8399	Income tax related to items that will be reclassified subsequently to profit or loss (Note XXI)	(22,036)	(2)	(16,231)	(2)
8300	Other comprehensive income (after tax)	<u>106,430</u>	<u>10</u>	<u>101,859</u>	<u>8</u>
8500	Total comprehensive income	<u>\$ 152,757</u>	<u>14</u>	<u>\$ 240,267</u>	<u>20</u>
	Earnings per share (Note XXII)				
9750	Basic	<u>\$ 0.18</u>		<u>\$ 0.54</u>	
9850	Diluted	<u>\$ 0.18</u>		<u>\$ 0.54</u>	

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

Chairman: Chang-shiou WU Manager: Shih-ning TUNG Accounting Manager: Lin-Ju LIN

Chien Kuo Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2022 and 2021
(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing Standards in the Republic of China)

Unit: NT\$ Thousands, except for Dividends per share (in Dollars)

		Equity Attributable to Owners of the Parent								
		Retained Earnings					Other equity			
Code		Capital	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Financial Assets at Fair Value through Other Comprehensive Income	Total	Total equity
A1	Balance as of January 1, 2021	\$ 2,574,401	\$ 204,852	\$ 645,464	\$ 23,412	\$ 1,038,788	(\$ 229,518)	\$ 171,252	\$ 4,428,651	\$ 4,428,651
D1	Net income for the three months ended March 31, 2021	-	-	-	-	138,408	-	-	138,408	138,408
D3	Other comprehensive income after tax for the three months ended March 31, 2021	-	-	-	-	-	64,923	36,936	101,859	101,859
D5	Total comprehensive income for the three months ended March 31, 2021	-	-	-	-	138,408	64,923	36,936	240,267	240,267
Z1	Balance as of March 31, 2021	<u>\$ 2,574,401</u>	<u>\$ 204,852</u>	<u>\$ 645,464</u>	<u>\$ 23,412</u>	<u>\$ 1,177,196</u>	(<u>\$ 164,595</u>)	<u>\$ 208,188</u>	<u>\$ 4,668,918</u>	<u>\$ 4,668,918</u>
A1	Balance as of January 1, 2022	\$ 2,574,401	\$ 204,852	\$ 682,772	\$ 46,790	\$ 1,181,539	(\$ 207,603)	\$ 219,827	\$ 4,702,578	\$ 4,702,578
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	8,382	-	(8,382)	-	-
D1	Net income for the three months ended March 31, 2022	-	-	-	-	46,327	-	-	46,327	46,327
D3	Other comprehensive income after tax for the three months ended March 31, 2022	-	-	-	-	-	88,144	18,286	106,430	106,430
D5	Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	46,327	88,144	18,286	152,757	152,757
Z1	Balance as of March 31, 2022	<u>\$ 2,574,401</u>	<u>\$ 204,852</u>	<u>\$ 682,772</u>	<u>\$ 46,790</u>	<u>\$ 1,236,248</u>	(<u>\$ 119,459</u>)	<u>\$ 229,731</u>	<u>\$ 4,855,335</u>	<u>\$ 4,855,335</u>

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

Chairman: Chang-shiou WU

Manager: Shih-ning TUNG

Accounting Manager: Lin-Ju LIN

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 2022 and 2021

(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing Standards
in the Republic of China)

Unit: NT\$ Thousands

Code		January 1 to March 31, 2022	January 1 to March 31, 2021
	Cash flows from operating activities		
A00010	Income before income tax	\$ 51,126	\$ 206,205
A20010	Adjustments to reconcile income (loss):		
A20100	Depreciation expense	5,867	4,527
A20200	Amortization expenses	220	27
A20400	Net loss on financial assets at fair value through profit or loss	122,509	1,310
A20300	Reversal of expected credit loss	-	(4,266)
A20900	Finance costs	1,995	2,446
A21200	Interest income	(14,857)	(15,373)
A21300	Dividend income	(1,635)	(268)
A22500	Gain on disposal and scrap of property, plant and equipment	(64,459)	-
A22700	Gain on disposal of investment properties	-	(62)
A24100	Loss (gain) on foreign currency exchange	(984)	2,310
A29900	Net gain on disposal of subsidiaries	-	(147,863)
A30000	Changes in operating assets and liabilities, net		
A31125	Contract assets	(241,829)	201,464
A31130	Notes receivable	26,076	(53,608)
A31150	Accounts receivable	(7,774)	218,905
A31180	Other receivables	(632)	(3,110)
A31230	Prepayments	(18,278)	(18,887)
A31240	Other current assets	6,550	(22,282)
A32125	Contract liability	(32,184)	62,944
A32130	Notes payable	(38,137)	(10,120)
A32150	Accounts payable	(296,024)	(338,518)
A32180	Other payables	(88,089)	(99,819)
A32230	Other current liabilities	(2,541)	(6,654)
A33000	Cash outflow generated from operations	(593,080)	(20,692)
A33100	Interest received	14,565	25,184
A33300	Interest paid	(1,992)	(2,403)
A33500	Income taxes paid	(294)	(43,966)
AAAA	Net cash outflows from operating activities	(580,801)	(41,877)

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Code		January 1 to March 31, 2022	January 1 to March 31, 2021
	Cash flows from investment activities		
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	\$ 67,204	\$ -
B00040	Acquisition of financial assets measured at amortized cost	(1,550)	(58,256)
B00050	Disposal of financial assets measured at amortized cost	195,000	1,415
B00100	Acquisition of financial assets at fair value through profit or loss	(1,407,552)	(1,968,272)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	903,686	2,223,362
B02300	Net cash flows from disposal of subsidiaries	-	13,859
B02700	Acquisition of property, plant and equipment	(565)	(1,701)
B02800	Proceeds from disposal of property, plant, and equipment	64,459	-
B03800	Decrease (increase) in refundable deposits	5,308	(118)
B04500	Acquisition of intangible assets	(190)	(811)
B05500	Proceeds from disposal of investment properties	-	19,221
B07600	Dividend received	1,635	268
BBBB	Net cash (outflows) inflows from investing activities	(172,565)	228,967
	Cash flows from financing activities:		
C00100	Decrease in short-term loans	-	(5,000)
C00500	Increase in short-term bills payable	80,000	-
C03000	Increase (decrease) in guarantee deposits received	7,919	(15,345)
C04020	Repayment of lease principal	(3,779)	(2,731)
CCCC	Net cash inflows (outflows) from financing activities	84,140	(23,076)
DDDD	Effect of exchange rate changes on cash and cash equivalents	47,830	(3,811)
EEEE	Net increase (decrease) in cash and cash equivalents	(621,396)	160,203
E00100	Cash and cash equivalents at beginning of period	2,453,293	2,618,337
E00200	Cash and cash equivalents at end of period	\$ 1,831,897	\$ 2,778,540
<u>Reconciliation of cash and cash equivalents at beginning of period</u>			
Code		March 31, 2022	March 31, 2021
E00210	Cash and cash equivalents reported in the balance sheet	\$ 2,453,293	\$ 2,607,033
E00240	Cash and cash equivalents included in disposal groups classified as held for sale	-	11,304
E00200	Cash and cash equivalents at beginning of period	\$ 2,453,293	\$ 2,618,337

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

Chairman: Chang-shiou WU Manager: Shih-ning TUNG Accounting Manager: Lin-Ju LIN

Chien Kuo Construction Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the Three Months Ended March 31, 2022 and 2021
(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing
Standards in the Republic of China)
(Amount in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company History

Chien Kuo Construction Co., Ltd. (Hereinafter "the Company") was founded in November 1960. It mainly engages in business relating to design, supervision of modification, and construction of various construction projects of different sizes, as well as trading of construction materials. The Company's stocks, which had been traded on Taipei Exchange since February 1, 1999, were transferred to be listed on Taiwan Stock Exchange in October 2003.

The consolidated financial statements were expressed in New Taiwan Dollars, the Company's functional currency.

II. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved by the Board of Directors on May 10, 2022.

III. Application of New and Amended Standards and Interpretations

(I) The first-time application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standard Interpretations Committee (SIC) (hereinafter referred to as "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as "FSC") with effective date:

The application of the amended IFRSs endorsed and issued into effect by the FSC did not result in significant changes in the accounting policies of the Group.

(II) IFRSs issued by the International Accounting Standards Board but not yet endorsed and issued into effect by the FSC

New/Revised/ Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
Amendments to IAS1 "Classify Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendment to IAS 8 "Definition of Accounting Estimation"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1. Unless otherwise stated, the aforementioned new standards, interpretations and amendments are effective from the fiscal year after their respective effective dates.

Note 2. These amendments shall be applied prospectively for the annual reporting period beginning on or after January 1, 2023.

Note 3. This amendment shall be applied to changes in accounting estimation and changes in accounting policies that occur during the annual reporting period beginning on January 1, 2023.

Note 4. Except for the recognition of deferred income tax on temporary differences between lease and decommissioning obligations on January 1, 2022, this amendment is applicable to transactions that occur on and after January 1, 2022.

1. Amendments to IAS1 "Classify Liabilities as Current or Non-current"

The amendment was made to clarify that when liabilities are classified as non-current, the Group's right for deferred repayment of at least 12 months after the reporting period at the end of the reporting period must be evaluated. If such rights are in existence at the end of the reporting period, the liability is classified as non-current

regardless of whether the Group will exercise that right. The amendment also clarifies that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendment specifies that to achieve the purpose of debt classification, the aforementioned full repayment refers to the transfer of cash, other economic resources or equity instruments of the Group to the transaction counterparty to eliminate the liabilities. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

2. Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments expressly stipulate that the Group should determine the disclosure of significant accounting policy information based on the definition of materiality. Accounting policy information is material if, when considered together with other information included in the Company's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. This amendment also clarifies that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed by the Group.
- Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial.
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

In addition, the amendments provide an example of how accounting policy information may be material if it relates to significant transactions, other events, or conditions and if the following circumstances exist:

- (1) Has been changed during the period by the Group, and this change results in a significant change in the information of the financial statements;
- (2) Was chosen properly by the Group from alternatives permitted by IFRS Standards;
- (3) Was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS Standard that specifically applies;
- (4) Relates to an area for which the Group is required to make significant judgments and assumptions; or
- (5) Relates to complex accounting practices, and users of the Company's financial statements would otherwise not understand the relating significant transactions, other events or conditions.

3. Amendment to IAS 8 "Definition of Accounting Estimation"

This amendment defines accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". The accounting policy may require items in financial statements to be measured at monetary amounts that cannot be observed directly and must instead be estimated. Therefore, an input or a measurement technique has to be used to develop an accounting estimate to achieve this goal. The changes are considered as changes in accounting estimates while the effects of changes in accounting estimates from changes in an input or a measurement technique do not belong to correction of prior period errors.

Besides the effects mentioned above, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the effects on its financial position and financial performance of amendments to

the other standards and interpretations. Any relevant effect will be disclosed when the assessment is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs.

(II) Basis of preparation

The consolidated financial statements were prepared on a historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less fair value of plan assets.

The fair value measurement is classified into 3 levels based on the observability and importance of related input:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 inputs are unobservable inputs for the assets or liabilities.

(III) Basis of consolidation

The consolidated financial statements include the financial reports of the Company and its wholly-owned entities. The consolidated statements of comprehensive income include the operating income/loss of the acquired or disposed subsidiaries from the date of acquisition to the date of disposal in the current period. The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those used by the Group. When compiling the consolidated financial

statements, all transactions, account balances, income and expenses between the entities were eliminated. A subsidiary's total comprehensive income is attributed to the owners of the Company and non-controlling interests, even if non-controlling interests become having deficit balances in the process.

When a change in the Group's ownership interests in a subsidiary does not cause a loss of control over the subsidiary, it shall be treated as an equity transaction. The carrying amounts of the Group and its non-controlling interests have been adjusted to reflect the relative changes in the interest in the subsidiaries. The difference between the adjustment amount of non-controlling interests and the fair value of consideration paid or collected shall be directly recognized in equity attributable to the owners of the Company.

When the Group loses control over a subsidiary, the gains and losses from disposal is the difference between the following two items: (1) the sum of the fair value of the consideration received and the fair value of the residual investment in such a former subsidiary at the date of loss of control; and (2) the sum of the carrying amount of the assets (including goodwill), liabilities, and non-controlling interests of the former subsidiary at the date of loss of control. The accounting treatment basis on which the Group recognizes the amounts in other comprehensive income in relation to the subsidiary is the same as that, which must be abided by, for the related assets or liabilities directly disposed of by the Group. The Group takes the fair value of the residual investment in the former subsidiary at the date of loss of control to be the initially investment amount in an associate recognized.

Please refer to Note XIII and Appendixes 7 and 8 for details, shareholding ratios, and operations of subsidiaries.

(IV) Other significant accounting policies

Except for the following explanations, please refer to the summary of significant accounting policies in the consolidated financial statements for the year ended December 31, 2021.

1. Post-employment benefits under defined benefit plan

Pension costs for an interim period are calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, and adjusted for major market fluctuations, major project modifications, payoffs or other major one-off matters for the period.

2. Income Tax

Income tax expenses are the sum of current income tax and deferred income tax. The income tax expenses for an interim period are accrued by applying the tax rate applicable based on expected total annual earnings to the pre-tax income of the interim period.

V. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

When the Group adopts accounting policies, the management must make judgments, estimates and assumptions based on historical experience and other critical factors for related information that are not readily available from other sources. Actual results may differ from these estimates.

The Group has taken into consideration the recent development of the COVID-19 pandemic and its possible impact on the economic environment, and has taken into account the significant accounting estimates. The management will continue to review the estimates and basic assumptions. If a revision of estimates only affects the current period, it shall be recognized in the period of revision; if a revision of accounting estimates affects the current year and future periods, it shall be recognized in the period of revision and future periods.

Construction contracts

Income or loss of construction contracts are recognized separately based on the percentage of completion of contractual activities, and the percentage of completion is measured at the proportion of the contract costs incurred to date to the estimated total contract costs. Changes in incentives and compensations stipulated in the contracts will be included in and recognized as contract revenue only when relevant uncertainties are subsequently eliminated and the probability of reversing the amount of accumulated contract revenue is quite low.

As estimated total costs and contractual activities are evaluated and judged by the management based on the nature of the different construction projects, the estimated amount of the contract, the duration of construction, the undertaking of construction and the construction methods, they may affect the calculation of the percentage of completion and the construction income or loss.

VI. Cash and Cash Equivalents

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Cash on hand and revolving funds	\$ 2,632	\$ 2,645	\$ 2,618
Bank checks and demand deposits	856,445	1,035,906	963,002
Cash equivalents (time deposits with original maturity date within 6 months)			
Bank time deposits	<u>972,820</u>	<u>1,414,742</u>	<u>1,812,920</u>
	<u>\$ 1,831,897</u>	<u>\$ 2,453,293</u>	<u>\$ 2,778,540</u>

The interest rate intervals of time deposits as of the balance sheet dates are as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Time deposits	0.12% ~ 3.40%	0.12% ~ 3.40%	0.15% ~ 3.00%

Time deposits that do not meet the definition of cash equivalents have been reclassified under "financial assets carried at amortized cost." Please refer to Note IX.

VII. Financial assets measured at fair value through profit or loss

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Mandatorily measured at fair value through profit or loss			
<u>Current</u>			
Derivative financial assets			
- Structured note (I)	\$ 40,595	\$ 391,013	\$ 279,035
Non-derivative financial assets			
- Structured deposits	108,323	103,710	212,482
- Domestic listed stocks	\$ 192,896	\$ 305,807	\$ 191,063
- Foreign listed stocks	136,055	119,415	130,252
- Fund beneficiary certificates	1,531,724	892,343	778,670
- Private equity funds	143,150	-	-
- Bank debentures	<u>26,992</u>	<u>17,756</u>	<u>-</u>
	<u>\$ 2,179,735</u>	<u>\$ 1,830,044</u>	<u>\$ 1,591,502</u>
<u>Non-current</u>			
- Domestic unlisted stocks	\$ 79,300	\$ 36,100	\$ 17,100
- Private equity funds	<u>48,683</u>	<u>51,942</u>	<u>61,777</u>
	<u>\$ 127,983</u>	<u>\$ 88,042</u>	<u>\$ 78,877</u>

- (I) Structured notes not yet matured as of the balance sheet date are notes linking up with the stock prices of underlying securities which pay a fixed interest before their maturity dates no matter what the stock prices are. If a price trigger was set up and the stock price is higher than the early exercise price, the note will mature earlier to redeem the principal plus the fixed interest; if the stock price on the maturity date is less than the exercise price, in addition to the fixed interest, the note will be converted into stocks holding the underlying securities at the exercise price. Contracts not yet maturing are as follows:

March 31, 2022

Subject Securities	Amount (NT\$ Thousands)	Maturity Date	Interest Rate	Exercise Price
BioNTech SE (BNTX)	USD 1,000	April 20, 2022	12%	USD 203.3455
SEA LIMITED (SE)	USD 1,000	April 19, 2022	12%	USD 226.2885

December 31, 2021

Subject Securities	Amount (NT\$ Thousands)	Maturity Date	Interest Rate	Exercise Price
Alcoa Corporation (AA)	USD 1,000	March 30, 2022	10%	USD 35.8191
SEA LIMITED (SE)	USD 1,000	March 17, 2022	12%	USD 273.5691
Alcoa Corporation (AA)	USD 1,000	April 19, 2022	12%	USD 32.4204
Cleveland-Cliffs Inc. (CLF)	USD 1,000	March 30, 2022	10%	USD 13.7860
Square Inc. (SQ)	USD 1,000	February 24, 2022	12%	USD 173.8032
KraneShares CSI China Internet ETF (KWEB)	RMB 4,000	March 17, 2022	12%	USD 35.9598
SEA LIMITED (SE)	USD 1,000	March 8, 2022	10%	USD 280.2804
BioNTech SE (BNTX)	USD 1,000	April 20, 2022	12%	USD 203.3455
Square, Inc. (SQ)	USD 1,000	March 8, 2022	10%	USD 208.0847
TESLA, INC. (TSLA)	USD 1,000	March 25, 2022	10%	USD 667.9148
Square Inc. (SQ)	USD 1,000	March 18, 2022	12%	USD 205.1585
SEA LIMITED (SE)	USD 1,000	April 19, 2022	12%	USD 226.2885
Boeing Company (BA)	USD 1,000	April 19, 2022	12%	USD 156.8986
Freeport-McMoRan, Inc. (FCX)	USD 1,000	April 19, 2022	12%	USD 27.6997
Cleveland-Cliffs Inc. (CLF)	USD 1,000	April 19, 2022	12%	USD 13.0940
Tencent Holdings Limited (700HK)	RMB 4,000	March 3, 2022	12%	HK\$ 386.1883

March 31, 2021

Subject Securities	Amount (NT\$ Thousands)	Maturity Date	Interest Rate	Exercise Price
ADVANCED MICRO DEVICES, INC. (AMD)	USD 1,000	June 2, 2021	12%	USD 72.3723
Alibaba Group Holding Limited (BABA)	USD 1,000	June 3, 2021	12%	HK\$ 213.6240
D.R. Horton, Inc. (DHI)	USD 1,000	June 1, 2021	10%	USD 58.0661
General Motors Company (GM)	USD 1,000	June 1, 2021	10%	USD 41.0702
SEA LIMITED (SE)	USD 1,000	June 28, 2021	12%	USD 199.5400
Square, Inc. (SQ)	USD 1,000	June 1, 2021	10%	USD 178.8732
TESLA, INC. (TSLA)	USD 1,000	June 1, 2021	10%	USD 543.0079
TESLA, INC. (TSLA)	USD 1,000	June 11, 2021	12%	USD 555.2275
TESLA, INC. (TSLA)	USD 1,000	June 28, 2021	12%	USD 514.9900
The Boeing Company (BA)	USD 1,000	June 1, 2021	10%	USD 171.4079

VIII. Financial assets measured at fair value through other comprehensive income

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Investment in equity instruments</u>			
Domestic listed stocks			
Current	\$ 47,258	\$ 23,126	\$ 26,891
Non-current	<u>452,503</u>	<u>525,553</u>	<u>432,626</u>
	<u>\$ 499,761</u>	<u>\$ 548,679</u>	<u>\$ 459,517</u>

The Group invested in domestic and foreign common stock pursuant to its medium-term and long-term strategies for the purpose of making a profit. The management elected to designate these investments to be measured at fair value through other comprehensive income as they believed that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the aforementioned strategy of holding these investments for long-term purposes.

For financial assets pledged at fair value through other comprehensive income, please refer to Note XXVIII.

IX. Financial Assets measured at Amortized Cost

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Current</u>			
Time deposits with original maturity date over six months	\$ 230,000	\$ 425,000	\$ -
Restricted bank deposits (1)	118,257	117,446	142,609
Restricted bank term deposits (1)	22,182	21,446	188,364
Restricted bills with repurchase agreement (1)	<u>10,013</u>	<u>10,010</u>	<u>20,024</u>
	<u>\$ 380,452</u>	<u>\$ 573,902</u>	<u>\$ 350,997</u>
<u>Non-current</u>			
Pledged certificate of deposit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,281</u>

(1) The above restricted financial assets are held by the Group in accordance with the Management, Utilization, and Taxation of Repatriated Offshore

Funds Act, and their use is subject to the restrictions of the Management, Utilization, and Taxation of Repatriated Offshore Funds Act.

The interest rate intervals for term deposits and repurchase agreement as of the balance sheet dates are as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Time deposits with original maturity date over six months	0.22%	0.22%~ 0.23%	—
Restricted bank term deposits	0.18%~0.25%	0.18%~ 0.25%	0.23%~ 0.26%
Restricted bills with repurchase agreement	0.20%	0.19%	0.15%~ 0.16%
Pledged certificate of deposit	—	—	0.15%

For information on pledged financial assets measured at amortized cost, please refer to Note XXVIII.

X. Notes Receivable and Accounts Receivable

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Notes receivable	<u>\$ 8,460</u>	<u>\$ 34,536</u>	<u>\$ 142,258</u>
<u>Accounts receivable</u>			
Measured at amortized cost			
Total carrying amount	\$ 320,010	\$ 312,055	\$ 438,131
Less: Allowance losses	(<u>73,084</u>)	(<u>70,693</u>)	(<u>70,280</u>)
	<u>\$ 246,926</u>	<u>\$ 241,362</u>	<u>\$ 367,851</u>

Accounts receivable

The credit policy of the Group is mainly contract-based, and the notes receivable and accounts receivable are not interest-bearing. To minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual account receivable

on the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. As such, the Group's management concludes that the credit risk has been significantly reduced.

The impairment assessment of the Group's accounts receivable is based on individual assessment, aging analysis, historical experience and analysis of customers' current financial position to estimate the amount of irrecoverable receivables. Some of the overdue receivables are under legal proceedings in accordance with the written agreements.

In determining the recoverability of accounts receivable, the Group considers the change in the quality of credit from the time the receivables are originally granted to the time they are presented on the balance sheet. An appropriate allowance for loss is recognized when the receivables are assessed to be irrecoverable beyond the credit period.

The Group writes off accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivables. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, they are recognized in profit or loss.

Aging analysis of notes receivable of the Group is as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Not overdue	<u>\$ 8,460</u>	<u>\$ 34,536</u>	<u>\$ 142,258</u>

Aging analysis of accounts receivable of the Group is as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Not overdue	\$ 216,437	\$ 205,591	\$ 336,402
Less than 180 days	1,328	7,340	38,712
181~360 days	8,910	14,148	4,901
More than 361 days	<u>93,335</u>	<u>84,976</u>	<u>58,116</u>
Total	<u>\$ 320,010</u>	<u>\$ 312,055</u>	<u>\$ 438,131</u>

Changes in allowance losses for accounts receivable are as follows:

	January 1 to March 31, 2022	January 1 to March 31, 2021
Beginning balance	\$ 70,693	\$ 74,839
Less: Reversal of impairment loss for the period	-	(4,266)
Exchange difference	<u>2,391</u>	<u>(293)</u>
Ending balance	<u>\$ 73,084</u>	<u>\$ 70,280</u>

XI. Inventories (for Construction Business)

	March 31, 2022	December 31, 2021	March 31, 2021
Xinzhi Section, Xinzhuang District	<u>\$ 465,926</u>	<u>\$ 465,926</u>	<u>\$ 465,926</u>

The Group acquired the land sitting at the northern part of the industrial zone in Xinzhuang District in July 2017. The purpose of holding such land is to construct commercial buildings for sale. The land is also pledged to financial institutions for loans. Please refer to Notes XVI and XXVIII.

XII. Prepayments

	March 31, 2022	December 31, 2021	March 31, 2021
Prepayments for construction contracts	\$ 120,383	\$ 105,689	\$ 49,923
Tax overpaid retained	6,667	4,973	11,811
Prepaid insurance	4,941	3,003	3,505
Others	<u>5,699</u>	<u>5,746</u>	<u>7,230</u>
	<u>\$ 137,690</u>	<u>\$ 119,411</u>	<u>\$ 72,469</u>

XIII. Subsidiary

(I) Subsidiaries included in the consolidated financial statements

The entities of the consolidated financial statements are as follows:

Name of Investor	Subsidiary Company Name	Business Activities	Shareholding Percentage			Explanation
			March 31, 2022	December 31, 2021	March 31, 2021	
The Company	Golden Canyon Limited (Golden Canyon)	Reinvestment	100%	100%	100%	
	Silver Shadow Holding Limited (Silver Shadow)	Reinvestment	100%	100%	100%	
	Shun Long International Electrical Engineering Co., Ltd. (Shun Long)	Undertaking mechanical, electrical and plumbing/refrigeration/air conditioning engineering; wholesale and retail of equipment	100%	100%	100%	
	Chien Kuo Building Co., Ltd. (Chien Kuo Building)	Building construction commission; public housing lease and sale	100%	100%	100%	
	Golden Canyon Venture Capital Investment Co., Ltd. (Golden Canyon Venture Capital)	Venture capital	100%	100%	100%	
	Golden Canyon II Venture Capital Investment Co., Ltd. (Golden Canyon Venture Capital II)	Venture capital	100%	100%	-	(Note 1)
	CK Asia Co., Ltd. (CK Asia)	Reinvestment	100%	100%	100%	
	CK Asia (Shanghai) Information Technology Co., Ltd. (Shanghai Information)	Computer software technology development and consultation	100%	100%	100%	
	Yangzhou Chien Yung Concrete Co., Ltd. (Yangzhou Chien Yung)	Production and sale of concrete and concrete products	100%	100%	100%	
	Wuxi Chien Bang Concrete Co., Ltd. (Wuxi Chien Bang)	Production and sale of concrete and concrete products	-	-	-	Please refer to Note XXIII.
	Chien Ya (Yangzhou) Technology Consultant Co., Ltd. (Chien Ya Yangzhou)	Computer software technology development and consultation	-	-	100%	(Note 2)
	Chien Ya (Suzhou) Information Technology Consultant Co., Ltd. (Chien Ya Suzhou)	Computer software technology development and consultation	-	-	100%	(Note 3)
	Chien Ya (Wuxi) Information Technology Consultant Co., Ltd. (Chien Ya Wuxi)	Computer software technology development and consultation	-	-	100%	(Note 4)

Subsidiaries included in the consolidated financial statements are described as follows:

- (1) Golden Canyon Venture Capital II was established on June 3, 2021 as a wholly-owned subsidiary of the Company.
 - (2) The liquidation of Chien Ya Yangzhou was completed on September 27, 2021.
 - (3) The liquidation of Chien Ya Suzhou was completed on November 16, 2021.
 - (4) The liquidation of Chien Ya Wuxi was completed on August 11, 2021.
- (II) Subsidiaries not included in the consolidated financial statements: None.

XIV. Lease Agreement

(I) Right-of-use assets

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Carrying amount of right-of-use assets			
Buildings	\$ 16,848	\$ 20,001	\$ 23,200
Transportation equipment	<u>2,987</u>	<u>3,283</u>	<u>1,101</u>
	<u>\$ 19,835</u>	<u>\$ 23,284</u>	<u>\$ 24,301</u>
		<u>January 1 to March 31, 2022</u>	<u>January 1 to March 31, 2021</u>
Additions to right-of-use assets		<u>\$ 1,384</u>	<u>\$ 1,991</u>
Depreciation expense of right-of-use assets			
Buildings	\$ 3,249		\$ 2,333
Transportation equipment	<u>499</u>		<u>406</u>
	<u>\$ 3,748</u>		<u>\$ 2,739</u>

Other than the increase and recognition of depreciation expenses above, the combined company's right-of-use assets did not undergo significant sublease and impairment for the three-month periods ended March 31, 2022 and 2021.

(II) Lease liabilities

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Carrying amount of lease liabilities			
Current (listed as other current liabilities)	<u>\$ 13,612</u>	<u>\$ 14,150</u>	<u>\$ 10,242</u>
Non-current (listed as other non- current liabilities)	<u>\$ 6,571</u>	<u>\$ 9,512</u>	<u>\$ 14,381</u>

The discount rate intervals of the lease liabilities are as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Buildings	1.65%	1.65%~4.57%	1.65%~4.57%
Transportation equipment	3.00%	3.00%	3.00%

(III) Other lease information

	<u>January 1 to March 31, 2022</u>	<u>January 1 to March 31, 2021</u>
Short-term lease expense	<u>\$ 3,083</u>	<u>\$ 2,216</u>
Total cash outflow on lease	<u>\$ 6,862</u>	<u>\$ 4,947</u>

XV. Investment Property

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Land	\$ 88,266	\$ 88,266	\$ 88,266
Buildings	13,335	13,580	14,315
Parking space	<u>637</u>	<u>641</u>	<u>651</u>
	<u>\$ 102,238</u>	<u>\$ 102,487</u>	<u>\$ 103,232</u>
Fair Value	<u>\$ 131,795</u>	<u>\$ 131,795</u>	<u>\$ 132,941</u>

Depreciation expenses of investment property are provided using the straight-line method over 6~50 years of useful lives.

The fair value of investment property is calculated by reference to the latest transaction price in the neighborhood.

For the amount of investment property pledged by the Group as collateral against its secured borrowings, please refer to Note XXVIII.

XVI. Loans

(I) Short-term loans

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Unsecured loans</u>			
Credit line loans	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 10,000</u>
Annual interest rate (%) (Effective interest rate)	0.90%~0.95%	0.94%~0.99%	1.40%

(II) Short-term notes and bills payable

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Commercial papers payable	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ -</u>
Annual interest rate (%) (Effective interest rate)	0.87%	—	—

(III) Long-term loans

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Secured loans</u> (Note XXVIII)			
Bank loans (1)	\$ 350,000	\$ 350,000	\$ 350,000
Less: Current portion	(<u>350,000</u>)	(<u>350,000</u>)	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>350,000</u>
<u>Unsecured loans</u>			
Long-term commercial paper payables (2)	150,000	150,000	600,000
Less: Discount on long-term commercial papers payable	(<u>135</u>)	(<u>138</u>)	(<u>767</u>)
	149,865	149,862	599,233
Less: Current portion	(<u>149,865</u>)	(<u>149,862</u>)	(<u>449,382</u>)
Subtotal	<u>-</u>	<u>-</u>	<u>149,851</u>
Long-term loans	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,851</u>
Annual interest rate (%) (Effective interest rate)	1.35%~1.37%	1.35%~1.36%	1.35%~1.68%

1. To obtain land held for construction (classified as Inventories (for construction business)), the Group entered into the medium and long-term loan contract with the bank in June 2017. The maturity date is July 12, 2022. Interest is being paid monthly, and the principal should be repaid in full upon maturity. The land is pledged as collateral.
2. The long-term commercial papers issued by the Group are issued cyclically according to the contract. Since the original contract period is more than 12 months and the Group intends to continue the long-term refinancing, it is classified as long-term commercial paper.

The long-term commercial papers payable that have not matured on the balance sheet date are as follows:

March 31, 2022

Guarantor/Accepting Institution	Nominal Amount	Discounted Amount	Carrying Amount	Effective Interest Rate Interval	Collateral
Mega International Commercial Bank	<u>\$ 150,000</u>	<u>(\$ 135)</u>	<u>\$ 149,865</u>	1.37%	None

December 31, 2021

Guarantor/Accepting Institution	Nominal Amount	Discounted Amount	Carrying Amount	Effective Interest Rate Interval	Collateral
Mega International Commercial Bank	<u>\$ 150,000</u>	<u>(\$ 138)</u>	<u>\$ 149,862</u>	1.36%	None

March 31, 2021

Guarantor/Accepting Institution	Nominal Amount	Discounted Amount	Carrying Amount	Effective Interest Rate Interval	Collateral
Shanghai Commercial and Savings Bank	\$ 100,000	(\$ 95)	\$ 99,905	1.65%	None
Entie Commercial Bank	150,000	(242)	149,758	1.68%	None
Mega International Commercial Bank	150,000	(149)	149,851	1.36%	None
KGI Commercial Bank	<u>200,000</u>	<u>(281)</u>	<u>199,719</u>	1.45%	None
	<u>\$ 600,000</u>	<u>(\$ 767)</u>	<u>\$ 599,233</u>		

XVII. Accounts Payable

Accounts payable include construction retainage payable for construction contracts. Construction retainage payable is not interest-bearing, and will be paid at the end of the retention period of each construction contract. The aforesaid retention period, usually more than one year, is the normal business cycle of the Group.

XVIII. Equity

(I) Capital

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Number of authorized shares (in 1,000 shares)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Authorized capital	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of issued and paid shares (in 1,000 shares)	<u>257,440</u>	<u>257,440</u>	<u>257,440</u>
Issued capital	<u>\$ 2,574,401</u>	<u>\$ 2,574,401</u>	<u>\$ 2,574,401</u>

The par value of common share issued is NT\$10 per share. Each share is entitled to the right to vote and receive dividends.

(II) Additional paid-in capital

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>May be used to offset deficits, appropriated as cash dividends or transferred to capital (1)</u>			
Stock issuance premium	\$ 190,053	\$ 190,053	\$ 190,053
Treasury stock transactions	13,528	13,528	13,528
Difference between prices of shares acquired from subsidiaries and book value	993	993	993
<u>May only be used to offset deficits</u>			
Adjustment in additional paid-in capital of subsidiaries using equity method	73	73	73
<u>May not be used for any purpose</u>			
Employee stock options	<u>205</u>	<u>205</u>	<u>205</u>
	<u>\$ 204,852</u>	<u>\$ 204,852</u>	<u>\$ 204,852</u>

- (1) This type of additional paid-in capital may be used to offset deficits, if any, or to distribute cash dividends or to transfer to capital, but the transfer is up to a certain ratio of paid-in capital every year.

(III) Retained earnings and dividend policy

According to the earnings appropriation policy set forth in the Articles of Incorporation of the Company, the annual net income, if any, should be used to pay off all the taxes and duties, as well as to compensate prior years' deficits. The remaining amount, if any, should be appropriated in the following order:

1. Provide legal reserve pursuant to laws and regulations.
2. Provide (or reverse) special reserves pursuant to laws and regulations or for operating necessities.
3. The remaining balance, along with unappropriated earnings of prior years, shall be proposed by the Board of Directors for earnings distribution, which shall then be resolved by the shareholders' meeting.

For the appropriation policy regarding compensation to employees and remuneration to directors as set forth in the Company's Articles of Incorporation, please refer to Note XX (VI).

The Company's dividend policy takes into account the environment and growth of the industry, long-term financial plans and optimization of shareholders' equity. Cash dividends to be appropriated in a year shall not be less than 10% of the total dividends to be appropriated for the year.

The Company appropriates and reverses special reserves in accordance with the regulations in Jin-Guan-Zheng-Fa's Letter No. 1010012865 from the FSC and "Q&A on the Applicability of the Appropriation of Special Reserve after the Adoption of the International Financial Reporting Standards (IFRSs)." If other shareholders' equity deductions are reversed afterward, the reversal may be applicable for the appropriation of earnings.

The Company shall set aside a legal reserve until it equals the Company's paid-in capital. Such legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be distributed in cash.

The Company held the board of directors on March 24, 2022 and will hold the regular shareholders' meeting on July 22, 2021, and respectively propose and resolve the 2021 and 2020 earnings distribution proposals as follows:

	Proposal of Earnings Appropriation		Dividends per Share (NT\$)	
	2021	2020	2021	2020
Legal reserve	\$ 42,086	\$ 37,308		
Appropriation (reversal) of special reserve	(34,566)	34,854		
Cash dividends	257,440	205,952	\$ 1.00	\$ 0.80

The distribution of earnings for 2021 is subject to the resolution of the Stockholders' meeting to be held on June 21, 2022.

XIX. Revenue

(I) Revenue from contracts with customers

	January 1 to March 31, 2022	January 1 to March 31, 2021
Revenue from construction contracts	\$ 1,077,102	\$ 1,192,203
Others	84	45
	<u>\$ 1,077,186</u>	<u>\$ 1,192,248</u>

The real estate construction contracts of the construction department specify the adjustment for price index fluctuations, performance bonus and penalties for delay, and the Group estimates the most possible amount for transaction price by reference to the past contracts of similar conditions and scale.

(II) Contract balance

	March 31, 2022		December 31, 2021		March 31, 2021	
	Construction Segment	Discontinued Segment	Construction Segment	Discontinued Segment	Construction Segment	Discontinued Segment
Accounts receivable (Note X)	\$ 242,074	\$ 4,852	\$ 236,691	\$ 4,671	\$ 273,810	\$ 94,041
Contract assets						
Real estate construction	\$ 998,784	\$ -	\$ 783,730	\$ -	\$ 643,178	\$ -
Construction retainage receivable	866,654	-	839,879	-	743,243	-
Less:						
Allowance losses	(1,514)	-	(1,514)	-	(1,514)	-
	<u>\$ 1,863,924</u>	<u>\$ -</u>	<u>\$ 1,622,095</u>	<u>\$ -</u>	<u>\$ 1,384,907</u>	<u>\$ -</u>
Contract liability						
Real estate construction	\$ 255,511	\$ -	\$ 287,695	\$ -	\$ 156,771	\$ -

(III) Contracts with customers that have not been fully completed

The aggregate amount of the amortized transaction price of which the performance obligations have not been satisfied and the anticipated years to recognize the revenue for the construction contracts signed by the combined company as of March 31, 2022 are as follows:

Anticipated years to recognize revenue	March 31, 2022
<u>2022~2027</u>	<u>\$ 14,350,923</u>

XX. Net Income from Continuing Operations

(I) Other income

	January 1 to March 31, 2022	January 1 to March 31, 2021
Interest income	\$ 14,857	\$ 15,373
Dividend income	1,635	268
Others	<u>559</u>	<u>541</u>
	<u>\$ 17,051</u>	<u>\$ 16,182</u>

(II) Other gains and losses

	January 1 to March 31, 2022	January 1 to March 31, 2021
Net gain on disposal of subsidiaries	\$ -	\$ 147,863
Gain (loss) on foreign currency exchange, net	3,416	(6,503)
Loss on valuation of financial assets at fair value through profit or loss	(122,509)	(1,310)
Gain on disposal of investment properties	-	62
Gain on disposal of property, plant and equipment	64,459	-
Others	(1,257)	(905)
	<u>(\$ 55,891)</u>	<u>\$ 139,207</u>

The Group sold a lot of road land in Hsinchu with a disposal gain of NT\$64,459 thousand in March, 2022.

(III) Finance costs

	January 1 to March 31, 2022	January 1 to March 31, 2021
Interest expenses		
Interest on bank loans	\$ 1,934	\$ 2,345
Interest on lease liabilities	<u>61</u>	<u>101</u>
	<u>\$ 1,995</u>	<u>\$ 2,446</u>

(IV) Depreciation and amortization expenses

	January 1 to March 31, 2022	January 1 to March 31, 2021
Property, Plant, and Equipment	\$ 1,871	\$ 1,536
Right-of-use assets	3,748	2,739
Investment Property	248	252
Intangible assets	<u>220</u>	<u>27</u>
Total	<u>\$ 6,087</u>	<u>\$ 4,554</u>
Depreciation expenses by function		
Operating costs	\$ 902	\$ 522
Operating expenses	4,726	3,763
Other gains and losses	<u>239</u>	<u>242</u>
	<u>\$ 5,867</u>	<u>\$ 4,527</u>

	January 1 to March 31, 2022	January 1 to March 31, 2021
Amortization expenses by function		
Operating costs	\$ 8	\$ -
Operating expenses	<u>212</u>	<u>27</u>
	<u>\$ 220</u>	<u>\$ 27</u>

(V) Employee benefits expenses

	January 1 to March 31, 2022	January 1 to March 31, 2021
Short-term employee benefits	\$ 118,513	\$ 127,623
Post-employment benefits		
Defined Contribution Plan	4,608	4,762
Defined Benefit Plans	158	173
Termination benefits	<u>39</u>	<u>90</u>
	<u>\$ 123,318</u>	<u>\$ 132,648</u>
By function		
Operating costs	\$ 67,690	\$ 73,034
Operating expenses	<u>55,628</u>	<u>59,614</u>
	<u>\$ 123,318</u>	<u>\$ 132,648</u>

(VI) Remuneration for employees and directors

According to the Articles of Incorporation, the Company appropriates 0.1% to 3% of its income before tax, remuneration for employees and directors as employee remuneration, and no more than 3% of such income as directors' remuneration. Compensation to employees and remuneration to directors for the three-month periods ended March 31, 2022 and 2021 are as follows:

	January 1 to March 31, 2022		January 1 to March 31, 2021	
	Amount	Percentage (%)	Amount	Percentage (%)
Employee remuneration	<u>\$ 1,612</u>	3%	<u>\$ 5,192</u>	3%
Director remuneration	<u>\$ 1,612</u>	3%	<u>\$ 5,192</u>	3%

If there is a change in the amounts after the annual consolidated financial statements are approved for issue, the differences shall be treated as a change in the accounting estimate in the following year.

The remuneration to employees and remuneration to directors and supervisors for 2021 and 2020 were resolved by the Board of Directors on March 24, 2022 and March 25, 2021 respectively as follows:

	2021		2020	
	Cash	Percentage (%)	Cash	Percentage (%)
Employee remuneration	\$ 15,563	3%	\$ 13,686	3%
Director remuneration	<u>15,563</u>	3%	<u>13,686</u>	3%
	<u>\$ 31,126</u>		<u>\$ 27,372</u>	

The amounts of the employee remuneration and director remuneration distributed for the years ended December 31, 2021 and 2020 and those recognized in the consolidated financial statements are consistent.

Information about remuneration to employees and remuneration to directors approved by the Board of Directors is available at the Market Observation Post System website of Taiwan Stock Exchange.

XXI. Income Tax

(I) Income tax recognized in profit or loss

Major components of income tax expenses are as follows:

	January 1 to March 31, 2022	January 1 to March 31, 2021
Current-period income tax		
Income tax expenses recognized in the current period	\$ 17,104	\$ 51,050
Deferred income tax		
Income tax expenses recognized in the current period	(<u>12,305</u>)	<u>16,747</u>
Income tax expenses recognized in profit or loss	<u>\$ 4,799</u>	<u>\$ 67,797</u>

(II) Income tax recognized in other comprehensive income

	January 1 to March 31, 2022	January 1 to March 31, 2021
<u>Deferred income tax</u>		
Arise from current period		
- Exchange differences on translation of financial statements of foreign operations	(\$ 22,036)	(\$ 16,231)

(III) Income tax approval status

The tax authorities have approved the profit-seeking enterprise income tax returns of the Company and domestic subsidiaries as follows:

Company name	Year Approved
The Company	2019
Chien Kuo Building Co., Ltd.	2020
Shun Long International Electrical Engineering Co., Ltd.	2019
Golden Canyon Venture Capital Investment Co., Ltd.	2020

XXII. Earnings Per Share

Unit: NT\$

	January 1 to March 31, 2022	January 1 to March 31, 2021
Basic earnings per share	\$ 0.18	\$ 0.54
Diluted earnings per share	\$ 0.18	\$ 0.54

Net income and weighted average number of shares of common stocks used for calculation of earnings per share are as follows:

Net income

	January 1 to March 31, 2022	January 1 to March 31, 2021
Net income attributable to owners of the Company	\$ 46,327	\$ 138,408

Shares

	Unit: In thousand shares	
	January 1 to March 31, 2022	January 1 to March 31, 2021
Weighted average number of shares of common stock used for the calculation of basic earnings per share	257,440	257,440
Effect of potentially dilutive shares of common stocks:		
Employee remuneration	<u>1,123</u>	<u>1,272</u>
Weighted average number of shares of common stock used for the calculation of diluted earnings per share	<u>258,563</u>	<u>258,712</u>

If the Group may choose between stocks or cash for distribution for employee remuneration, it assumes stocks would be distributed in the calculation of diluted EPS. The potential shares of common stock with dilutive effect shall be incorporated in the weighted average number of shares outstanding when calculating the diluted EPS. Such dilutive effect of potential shares of common stock is still included in the calculation of diluted earnings per share before the shareholders' meeting in the following year resolves the number of shares to be distributed to employees.

XXIII. Disposal of Subsidiaries

The Group completed the disposal of all equity interests in Wuxi Chien Bang on February 5, 2021. The disposal proceeds of Wuxi Chien Bang was NT\$556,378 thousand (RMB 126,000 thousand).

(I) Analysis on assets and liabilities over which control was lost

	<u>Wuxi Chien Bang</u>
Current assets	
Cash and cash equivalents	\$ 11,436
Notes and accounts receivables	242,816
Other receivables	11,183
Inventories	7,875
Prepayments	920
Other current assets	399
Non-current assets	
Property, Plant, and Equipment	\$ 79,009
Right-of-use assets	4,445
Current liabilities	
Notes payable	-

Accounts payable	(9,806)
Other payables	(10,315)
Contract liability	(9,447)
Other current liabilities	(<u>1,059</u>)
Net assets disposed of	<u>\$ 327,456</u>

(II) Gain on disposal of subsidiaries

	<u>Wuxi Chien Bang</u>
Consideration received	\$ 556,378
Net assets disposed of	(327,456)
Accumulated exchange difference on net assets of a subsidiary reclassified from equity to profit or loss as a result of losing control over the subsidiary	(<u>81,059</u>)
Profit on disposal	<u>\$ 147,863</u>

(III) Net cash inflow on disposal of subsidiaries

	<u>Wuxi Chien Bang</u>
Consideration received in the form of cash and cash equivalents	\$ 556,378
Less: Advance receipts, beginning	(531,083)
Less: Balance of cash and cash equivalents disposed of	(<u>11,436</u>)
	<u>\$ 13,859</u>

XXIV. Information on Cash Flows of Investment Activities of Non-cash Transactions

The financial assets measured at fair value through profit or loss that the Group purchased amounted to NT\$2,210 thousand from January 1 to March 31, 2022 are recognized as other payables on March 31, 2022 due to settlement-date lag.

On March 31, 2021, financial assets measured at fair value through profit and loss that the Group purchased and disposed of for NT\$28,683 thousand and NT\$7,473 thousand, respectively, from January 1 to March 31, 2021, are recognized as other payables and other receivables, respectively, due to settlement-date lag.

XXV. Capital Risk Management

The objective of the Group's capital management is to ensure that the Group can continue as a going concern, that an optimal capital structure is maintained to lower the cost of capital, and that returns are provided to

shareholders. To maintain or adjust the capital structure, the Group may adjust dividends paid to shareholders, refund capital to shareholders or issue new shares to lower its debts.

XXVI. Financial Instruments

(I) Fair value of financial instruments that are not measured at fair value

Please refer to the information stated in the consolidated balance sheets.

The management of the Group believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values, such that their carrying amounts recognized in the consolidated balance sheets are used as a reasonable basis for estimating their fair values.

(II) Fair value of financial instruments measured at fair value on a recurring basis

1. Fair value level

March 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets</u>				
<u>measured at fair</u>				
<u>value through profit</u>				
<u>or loss</u>				
Structured notes	\$ -	\$ 40,595	\$ -	\$ 40,595
Domestic listed stocks	192,896	-	-	192,896
Domestic unlisted stocks	-	-	79,300	79,300
Foreign listed stocks	136,055	-	-	136,055
Fund beneficiary certificates	1,531,724	-	-	1,531,724
Private equity funds	-	143,150	48,683	191,833
Structured deposits	-	108,323	-	108,323
Bank debentures	26,992	-	-	26,992
Total	<u>\$1,887,667</u>	<u>\$ 292,068</u>	<u>\$ 127,983</u>	<u>\$2,307,718</u>
<u>Financial assets</u>				
<u>measured at fair</u>				
<u>value through other</u>				
<u>comprehensive</u>				
<u>income</u>				
Domestic listed stocks	<u>\$ 499,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,761</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
<u>measured at fair value</u>				
<u>through profit or loss</u>				
Structured notes	\$ -	\$ 391,013	\$ -	\$ 391,013
Domestic listed				
stocks	305,807	-	-	305,807
Domestic unlisted				
stocks	-	-	36,100	36,100
Foreign listed stocks	119,415	-	-	119,415
Fund beneficiary				
certificates	892,343	-	-	892,343
Private equity funds	-	-	51,942	51,942
Structured deposits	-	103,710	-	103,710
Bank debentures	17,756	-	-	17,756
Total	<u>\$1,335,321</u>	<u>\$ 494,723</u>	<u>\$ 88,042</u>	<u>\$1,918,086</u>

<u>Financial assets</u>				
<u>measured at fair value</u>				
<u>through other</u>				
<u>comprehensive</u>				
<u>income</u>				
Domestic listed				
stocks	<u>\$ 548,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 548,679</u>

March 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
<u>measured at fair value</u>				
<u>through profit or loss</u>				
Structured notes	\$ -	\$ 279,035	\$ -	\$ 279,035
Domestic listed				
stocks	191,063	-	-	191,063
Domestic unlisted				
stocks	-	-	17,100	17,100
Foreign listed stocks	130,252	-	-	130,252
Fund beneficiary				
certificates	778,670	-	-	778,670
Structured deposits	-	212,482	-	212,482
Private equity funds	-	-	61,777	61,777
Total	<u>\$1,099,985</u>	<u>\$ 491,517</u>	<u>\$ 78,877</u>	<u>\$1,670,379</u>

<u>Financial assets</u>				
<u>measured at fair value</u>				
<u>through other</u>				
<u>comprehensive</u>				
<u>income</u>				
Domestic listed				
stocks	<u>\$ 459,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 459,517</u>

There was no transfer between Level 1 and Level 2 fair value measurement for the three months ended March 31, 2022 and 2021.

2. Valuation techniques and inputs applied to Level 2 fair value measurement

Type of Financial Instruments	Valuation Techniques and Inputs
Structured notes	Measured by option valuation model.
Structured deposits	The fair values of structured deposits are measured by the yield rate derived from the principal amount of the deposits and the operation of the main investment areas.

3. Valuation techniques and inputs applied to Level 3 fair value measurement

The fair value of private equity funds is estimated based on the valuation report provided by the fund company.

The fair value of unlisted stocks without active market is estimated with reference to recent financing activities.

The unobservable inputs applied by the Group were a 10% discount for liquidity and a 10% discount for minority interest on March 31, 2022, December 31, 2021, and March 31, 2021. When other inputs are held constant, a 1% discount would decrease the fair value by NT\$8,463 thousand, NT\$3,747 thousand and NT\$1,766 thousand, respectively.

(III) Types of financial instruments

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Financial assets</u>			
Measured at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	\$ 2,307,718	\$ 1,918,086	\$ 1,670,379
Financial assets measured at amortized cost (Note 1)	2,474,516	3,330,910	3,675,116
Financial assets measured at fair value through other comprehensive income			
Investment in equity instruments	499,761	548,679	459,517
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	2,251,001	2,668,988	2,573,105

Note 1. The balance includes financial assets measured at amortized cost, which comprise cash and cash equivalents, restricted bank deposits, time deposit and repurchase notes, note receivables, accounts receivable, other receivables, and pledged certificate of deposit.

Note 2. The balance includes financial liabilities at amortized cost, which comprise notes payable, accounts payable, other payables, and short-term and long-term loans.

(IV) Financial risk management objectives and policies

The daily operations of the Group are subject to a number of financial risks, including market risk (including foreign exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk. The overall financial risk management policy of the Group focuses on the

uncertainties in the financial market to reduce the potentially adverse effects on the financial position and performance of the Group.

Financial risk management of the Group is carried out by its finance department based on the policies approved by the Board of Directors. Through cooperation with the Group's operating units, the finance department is responsible for identifying, evaluating and hedging financial risks. The Board of Directors has established written principles with respect to the overall risk management, and there are policies in writing for specified scope and matters, such as foreign exchange rate risk, interest rate risk, other price risks, credit risk, utilization of derivatives and non-derivatives and investment of remaining liquidity.

1. Market risk

(1) Foreign exchange rate risk

The Company has repatriated its offshore funds with the applicable Repatriated Offshore Funds Act; therefore, the Company is exposed to the risk of fluctuation in the exchange rate.

Please see Note XXXI for details on carrying amounts of significant monetary assets denominated in foreign currencies on the balance sheet dates.

Sensitivity analysis

The Group is mainly exposed to USD and RMB fluctuations.

The following table details the Group's sensitivity to a 1% change in New Taiwan Dollars against the relevant foreign currencies. The rate of 1% is the sensitivity rate used when reporting foreign currency risk internally to the key management, and represents the management's assessment of the reasonably possible range of changes in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and is used to adjust the translation at the end of the period to a 1% change in the exchange rate. The positive figures in the table below show the increase in

income before tax when the currency appreciates by 1% against the combined entity's functional currency.

	Effect on Profit or Loss	
	January 1 to March 31, 2022	January 1 to March 31, 2021
RMB	\$ 4,256	\$ 1,514
USD	223	1,892

(2) Interest rate risk

The interest rate risk of the Group is mainly from cash and cash equivalents. Cash and cash equivalents held at floating interest rates expose the Group to the cash flow interest rate risk, and part of such risk is offset by loans made at floating rates. Cash and cash equivalents held and loans made at fixed interest rates expose the Group to the fair value interest rate risk. The policy of the Group is to dynamically adjust the proportion of instruments of fixed interest rates and those of floating interest rates based on the overall trend of interest rates.

The carrying amounts of financial assets and financial liabilities of the Group with exposure to interest rate on the balance sheet dates are as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
With fair value interest rate risk			
- Financial assets	\$ 1,235,015	\$ 1,871,198	\$ 2,025,589
- Financial liabilities	300,183	223,662	484,005
With cash flow interest rate risk			
- Financial assets	974,702	1,153,352	1,105,611
- Financial liabilities	499,865	499,862	499,851

Sensitivity analysis

The sensitivity analysis below is prepared based on the risk exposure of derivative and non-derivative instruments to the interest rates at the balance sheet date. For liabilities at floating interest rates, the analysis assumes they are outstanding throughout the reporting period if they are outstanding at the balance sheet date. A 100 basis point increase or decrease is used when reporting the interest rate risk internally to the key management, and represents the management's assessment of the reasonably possible range of changes in interest rates.

If interest rate increases/decreases by 100 basis points, holding other variables constant, the Group's income before tax will increase/decrease by NT\$1,187 thousand and NT\$1,514 thousand for the three months ended March 31, 2022 and 2021, respectively.

(3) Other price risks

The Group is exposed to price risk as a result of investing in financial assets such as beneficiary certificates and domestic and foreign listed stocks. The Group diversifies its investment portfolio to manage the price risk of investments in financial instruments.

Sensitivity analysis

The sensitivity analysis below is based on the exposure to price risk at the balance sheet date.

If the price increases/decreases by 10%, the income/loss before tax for the three months ended March 31, 2022 and 2021 would have increased/decreased by NT\$230,772 thousand or NT\$167,038 thousand, respectively, due to a change in the fair value of financial assets at fair value through profit or loss.

If the price increases/decreases by 10%, the other comprehensive income before tax for the three months ended March 31, 2022 and 2021 would have increased/decreased by

NT\$49,976 thousand and NT\$45,952 thousand, respectively, due to a change in the fair value of financial assets at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk of financial loss of the Group arising from default by clients or counterparties of financial instruments on the contractual obligations. The policy of the Group in response to credit risk is as follows:

Customers

The Group's established internal credit policy requires that all entities within the Group manage and conduct credit analysis on every new client before stipulating the terms and conditions of payment and delivery. The internal risk control assesses clients' credit quality by taking into account their financial position, past experience, and other factors. Individual risk limits are set by the management based on internal or external ratings. The utilization of credit limits is regularly monitored.

As the group of clients of the Group is vast and they are unrelated, the concentration of credit risk is low.

3. Liquidity risk

- (1) The cash flow forecast is performed by each operating entity of the Company and compiled by the Company's finance department. The finance department monitors the forecast of circulating capital needs of the Company to ensure that the Company's funds are adequate to finance its operations.
- (2) The following tables detail the Group's non-derivative financial liabilities grouped by the maturity date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The

contractual cash flows disclosed below, including those of interest and principals, are undiscounted.

March 31, 2022

	Less than 1 Year	1~2 Year(s)	2~5 Years
Non-interest- bearing liabilities	\$ 1,276,758	\$ 141,959	\$ 52,419
Lease liabilities	13,800	6,453	167
Fixed- interest rate instruments	280,000	-	-
Floating interest rate instruments	499,865	-	-
	<u>\$ 2,070,423</u>	<u>\$ 148,412</u>	<u>\$ 52,586</u>

December 31, 2021

	Less than 1 Year	1~2 Year(s)	2~5 Years
Non-interest- bearing liabilities	\$ 1,904,050	\$ 38,818	\$ 26,258
Lease liabilities	14,433	9,104	489
Fixed interest rate instruments	200,000	-	-
Floating interest rate instruments	499,862	-	-
	<u>\$ 2,618,345</u>	<u>\$ 47,922</u>	<u>\$ 26,747</u>

March 31, 2021

	Less than 1 Year	1~2 Year(s)	2~5 Years
Non-interest- bearing liabilities	\$ 1,512,439	\$ 81,787	\$ 19,646
Lease liabilities	11,334	10,447	3,375
Fixed interest rate instruments	459,382	-	-
Floating interest rate instruments	-	499,851	-
	<u>\$ 1,983,155</u>	<u>\$ 592,085</u>	<u>\$ 23,021</u>

The amount of the above non-derivative financial asset and liability instruments with floating interest rates will change due to differences between the floating interest rates and the interest rates estimated as of the balance sheet date.

(3) Financing facilities

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Unsecured bank loan facilities			
- Amount used	\$ 430,000	\$ 350,000	\$ 610,000
- Amount unused	<u>1,595,639</u>	<u>1,653,854</u>	<u>1,546,429</u>
	<u>\$ 2,025,639</u>	<u>\$ 2,003,854</u>	<u>\$ 2,156,429</u>
Secured bank loan facilities			
- Amount used	\$ 350,000	\$ 350,000	\$ 350,000
- Amount unused	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 450,000</u>

XXVII. Related Party Transactions

In preparing the consolidated financial statements, all transactions, account balances, income and expenses between the Company and its subsidiaries have been eliminated in full and are not disclosed in this note accordingly. In addition to those disclosed in other notes, material transactions between the Group and other related parties are as follows.

(I) Names and relationships of related parties

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
Chien Hwei Investment Co., Ltd.	The chairman of Chien Hwei Investment is the vice chairman of the Company.
Chien Kuo Foundation for Arts and Culture	The chairman of the foundation is the vice chairman of the Company.
Tzu-chiang YANG	Director of the Company
Pang-yen YANG	Director of the Company

(II) Other related party transactions

1. Lease agreements

The Group rents the office from other related parties based on the local rental standards. The rent is paid on a monthly basis.

Account	Category of Related Parties	March 31, 2022	December 31, 2021	March 31, 2021
Lease liabilities	Other related parties	<u>\$ 9,674</u>	<u>\$ 11,033</u>	<u>\$ 9,266</u>

Account	Category of Related Parties	January 1 to March 31, 2022	January 1 to March 31, 2021
Interest expenses	Other related parties	<u>\$ 42</u>	<u>\$ 39</u>
Lease expenses	Other related parties	<u>\$ 37</u>	<u>\$ 27</u>

2. Lease agreements (operating lease)

The Group rents the office to other related parties based on the local rental standards, and a fixed lease payment is collected monthly according to the lease agreement.

Account	Category of Related Parties	January 1 to March 31, 2022	January 1 to March 31, 2021
Rent income	Other related parties	<u>\$ 286</u>	<u>\$ 286</u>

3. Acquisition of financial assets

The Group invested in CSVI VENTURES, L.P. with NT\$11,452 thousand (USD400 thousand) in March 2021. The key decision-maker of the fund is the Company's director.

(III) Remuneration to key management

	January 1 to March 31, 2022	January 1 to March 31, 2021
Short-term employee benefits	\$ 14,231	\$ 12,369
Post-employment benefits	<u>487</u>	<u>340</u>
	<u>\$ 14,718</u>	<u>\$ 12,709</u>

The remuneration to Directors and other key management is determined by the Remuneration Committee based on individual performance and market trends.

XXVIII. Pledged Assets

The Group's assets listed below were provided as collateral against bank loans, collateral against litigations, and deposits for construction performance obligation:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Inventories (for construction business)	\$ 463,577	\$ 463,577	\$ 463,577
Financial assets measured at FVTOCI - non-current	147,983	143,544	141,193
Pledged time deposit certificate (classified as financial assets at amortized - non-current)	-	-	4,281
Investment Property	30,257	30,401	30,831
Other restricted assets (classified as other non-current assets)	<u>21,057</u>	<u>21,057</u>	<u>13,897</u>
	<u>\$ 662,874</u>	<u>\$ 658,579</u>	<u>\$ 653,779</u>

XXIX. Significant Contingent Liabilities and Unrecognized Contract Commitments

Except for those disclosed in other notes, significant commitments and contingencies of the Group on the balance sheet date are as follows:

- (I) The construction project of the National Kaohsiung Center for the Arts (Weiwuying) (hereinafter referred to as "the Project") undertaken by the Company was completed on December 16, 2016, and the Ministry of Culture of the Republic of China (hereinafter referred to as "the Ministry") began the initial acceptance inspection on February 20, 2017. Per instructions of the Ministry during the acceptance inspection process, work completed in phases was delivered for use, while other interface projects were still undergoing construction within the same space. The Ministry even allowed public access to some facilities without turning on related equipment to maintain appropriate temperature and humidity, which resulted in unexpected damage and deficiencies to the Project. The Ministry required the Company to repair the damaged part, which caused

the Project's failure to conform to the acceptance procedures within the time limit. As a result, the Ministry proposed to impose a default penalty on the Company for the delay. The Group deemed such application of law was wrong and in violation of the principles of fairness and reasonableness. Therefore, it filed a request for mediation to the Complaint Review Board for Government Procurement under the Public Construction Commission of the Executive Yuan (the "Commission") on October 9, 2018. Since no consensus was reached during the mediation of the Commission, the Group submitted a request for arbitration on August 6, 2020. According to the arbitration result on September 15, 2021, the remaining project payment and the refund of the paid default penalty due by the Ministry to the Group amounted to NT\$80,726 thousand, and the amount was booked by the Group.

- (II) Shing Tzung Development Co., Ltd (hereinafter referred to as "Shing Tzung") and its responsible person, Lu, Kuo-Feng, constructed a commercial-residential hybrid complex that has 5 floors below ground and 26 floors above ground at Land No. 537, Lingzhou Section, Kaohsiung City. Due to poor construction of diaphragm walls, buildings at Lane 187, Ziqiang 3rd Road suffered severe tilts, wall cracks and subsidence on July 20, 2014. Due to the Group's active participation in the repair work, a total of 25 house owners transferred a certain amount of their creditors' rights to the Group, by which the Group had petitioned the court for a provisional attachment against Shing Tzung and its responsible person, and a claim of NT\$25 million plus the statutory delay interest accrued thereon from them. In 2018, the court held an initial judgment that Shing Tzung had also paid related expenses for such an incident and thus agreed to the contention of Shing Tzung that the expenses already paid by Shing Tzung should offset the credit rights to which the Group might be entitled. Therefore, the plaintiff's case was rejected. Based on the court judgment, the Group has recognized as a loss the total amount of NT\$25 million that was previously recognized as "payment on behalf of another party."

In addition, Shing Tzung claimed that it had suffered loss from the incident and should have demanded compensation from the subcontractor responsible for constructing the diaphragm wall. However, Shing Tzung turned to the Group for compensation for the incident because the subcontractor had insufficient capital. The Group also had suffered loss from the incident and, consequently, filed a claim against Shing Tzung for compensation (including expenses incurred by the Group's participation in the repair work) and demanded that Shing Tzung return the promissory notes of performance guarantee to the Group. Regarding the two lawsuits, the Kaohsiung Qiaotou District Court ruled that the Group shall pay Shing Tzung NT\$10,477 thousand plus interest calculated at 5% per annum from July 8, 2015 to the settlement date and that Shing Tzung shall pay the Group NT\$27,382 thousand plus interest calculated at 5% per annum from October 30, 2015 to the settlement date. The two parties appealed to the Kaohsiung Branch of the Taiwan High Court during the legal period, and the first court session was held on January 4, 2021. The lawyers of Shing Tzung stated that it would take a little more time to prepare the relevant documents because of the change of lawyers. Therefore, the court scheduled the second verbal debate for April 22, 2021. The judge instructed that the disputed items of Shing Tzung should be sent to supplementary appraisal. The appraisal unit has held an appraisal meeting, and the appraisal report is currently pending so that the outcome of the judgment cannot be assessed.

- (III) On March 15, 2013, the Group and Kingland Property Corporation Ltd. (formerly known as DSG Technology Inc., hereinafter referred to as "Kingland") signed a construction contract, under which two parties covenanted to contract the Group for the construction project named "Fu-yi River Residential Construction Project" on Land No. 440, Zhuangjing Section, Xindian District, New Taipei City. The Group had completed the various stages of work as specified by the contract and, together with Kingland, completed the acceptance of the residential units and inspection

of communal facilities. Due to a large portion of the residential units being unsold and thus the condominium management committee failed to be established, Kingland, by putting up various excuses, refused to make progress with any follow-up inspections or acceptance, and furthermore refused to make the remaining contract payments and additional payments due to the Group. The Group then submitted a request for arbitration on October 22, 2019, demanding Fuyi Company to pay the remaining balance and the amount for additional works by the Group NT\$57,370 thousand. The arbitration conference ended on March 5, 2021, and the arbitration judgment was received in early April, 2021. After the two parties settled based on the arbitration judgment, the Fuyi Company should pay the Group approximately NT\$45,000 thousand for the remaining balance of construction contracts, and the Group has booked the settlement according to the arbitration result.

- (IV) As of March 31, 2022, the performance guarantee letters issued by the bank for construction projects of the Group amounted to NT\$1,432,145 thousand.
- (V) As of March 31, 2022, the guaranteed bills issued by the Group for business needs amounted to NT\$200,120 thousand.

XXX. Other Matters

As of the date of approval and issue of the consolidated financial statements, the Group has concluded that the outbreak of COVID-19 has no material impact on its operational capability, fundraising, and impairment of assets. The Group will continue to monitor and evaluate future developments of the outbreak.

XXXI. Information on Foreign Currency Assets and Liabilities with Significant Influence

Information on financial assets and liabilities denominated in foreign currencies with significant influence is as follows:

Unit: Foreign currency/NT\$ thousand

March 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
RMB	\$ 94,378	0.1575 (RMB:USD)	\$ 425,635
USD	779	28.63 (USD:NTD)	<u>22,292</u>
			<u>\$ 447,927</u>

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
RMB	\$ 210,143	0.1568 (RMB:USD)	\$ 912,337
USD	779	27.68 (USD:NTD)	<u>21,553</u>
			<u>\$ 933,890</u>

March 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
RMB	\$ 34,856	0.1522 (RMB:USD)	\$ 151,383
USD	6,628	28.54 (USD:NTD)	<u>189,163</u>
			<u>\$ 340,546</u>

The unrealized gain or loss on foreign currency exchange with significant influence is as follows:

	January 1 to March 31, 2022		January 1 to March 31, 2021	
	Exchange Rate	Net Exchange Profit (Loss)	Exchange Rate	Net Exchange Profit (Loss)
<u>Financial assets</u>				
RMB	0.1575 (RMB:USD)	\$ 2,380	0.1543 (RMB:USD)	(\$ 8,795)
USD	28.00 (USD:NTD)	<u>153</u>	28.37 (USD:NTD)	<u>(5,569)</u>
		<u>\$ 2,533</u>		<u>(\$ 14,364)</u>

XXXII. Supplementary Disclosures

(I) Information on significant transactions and (II) invested companies is as follows:

1. Loaning Provided to Others: None.
2. Endorsements/Guarantees Provided for Others: (Appendix 1)
3. Marketable Securities Held by the End of the Period (Excluding Investment in Subsidiaries, Associates and Joint Ventures): (Appendix 2)
4. Marketable Securities Acquired and Disposed of Amounting to NT\$300 Million or 20% of the Paid-in Capital or More: None.
5. Acquisition of Real Estate Amounting to NT\$300 Million or 20% of the Paid-in Capital or More: None.
6. Disposal of Real Estate Amounting to NT\$300 Million or 20% of the Paid-in Capital or More: None.
7. Purchases from or Sales to Related Parties Amounting to NT\$100 million or 20% of the Paid-in Capital or More. (Appendix 3)
8. Receivables from Related Parties Amounting to NT\$100 Million or 20% of the Paid-in Capital or More. (Appendix 4)
9. Engaging in Derivatives Trading: (Notes VI and XXVI)
10. Others: Inter-company Business Relationships and Significant Inter-company Transactions: (Appendix 5)
11. Information on Invested Companies: (Appendix 6)

(III) Information on investments in Mainland China:

1. Information on invested companies in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, gain or loss on investments, carrying amount of investment at the end of the period, gain or loss on repatriated investment and limits on investments in mainland China: (Appendix 7)

2. Any of the following significant transactions with invested companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms and unrealized gain or loss: (None)
 - (1) Purchase amount and percentage, and the ending balance and percentage of the related payables.
 - (2) Sales amount and percentage, and the ending balance and percentage of the related receivables.
 - (3) Property transaction amount and the resulting gain or loss.
 - (4) Ending balances and purposes of endorsements/guarantees or collateral provided.
 - (5) The maximum balance, ending balance, interest rate range and the total amount of current-period interest of financing facilities.
 - (6) Other transactions with significant impact on profit or loss or financial position for the period, such as provision or receipt of service.
- (IV) Information on major shareholders: Names of shareholders with a holding ratio of 5% or more, the amount and proportion of shares held: (Appendix 8)

XXXIII. Segment Information

The information is provided to the main business decision-makers to allocate resources and to evaluate the performance of each department, focusing on the category of service delivered or provided. The Group mainly engages in design, supervision and undertaking of construction projects and trading of building materials. The consolidated statements of comprehensive income present the operating results regularly reviewed by the decision-maker. There is no other business unit of significance such that disclosing information on reportable segments in the financial statements is no longer required.

Chien Kuo Construction Co., Ltd. and Subsidiaries
Endorsements/Guarantees Provided for Others
January 1 to March 31, 2022

Appendix 1

Unit: NT\$ Thousands

No.	Endorsements/Guarantees Provider Company Name	Parties Being Endorsed/Guaranteed		Limit of Endorsements/Guarantees for a Single Entity (Note 1)	Highest Balance as of the Current Month	Outstanding Endorsements/Guarantees - Ending	Amount Actually Withdrawn	Endorsements/Guarantees Secured with Collateral	Ratio of Cumulative Endorsements/Guarantees to the Net Equity Stated in the Latest Financial Statements	Limit of Endorsements/Guarantees (Note 2)	Endorsements/Guarantees Provided by Parent for Subsidiary	Endorsements/Guarantees Provided by Subsidiary for Parent	Endorsements/Guarantees for Entities in China	Note
		Company name	Relationship											
0	Chien Kuo Construction Co., Ltd.	Shun Long International Electrical Engineering Co., Ltd.	Subsidiary	\$ 2,351,289	\$ 100,000	\$ 100,000	\$ 9,730	\$ -	2.13%	\$ 4,702,578	Y	N	N	Financing endorsements/guarantees

Note 1. The limit on endorsements/guarantees provided for each guaranteed party is calculated as follows:

1. The limit on endorsements/guarantees made to companies in the same industry should be 200% of net worth of shareholders' equity.
2. The limit on endorsements/guarantees made to other guaranteed parties should be 50% of net worth of shareholders' equity.

Note 2. The maximum endorsements/guarantees amount allowable is calculated as follows:

1. The maximum endorsements/guarantees amount allowable to companies in the same industry should be 400% of net worth of shareholders' equity.
2. The maximum endorsements/guarantees amount allowable to other guaranteed parties should be 100% of net worth of shareholders' equity.

Chien Kuo Construction Co., Ltd. and Subsidiaries
Marketable Securities Held by the End of the Period
March 31, 2022

Appendix 2

Unit: NT\$ Thousands

Holding Company	Type and Name of Marketable Securities	Relationship with the Marketable Security Issuer	Financial Statement Account	End of period				Note
				Number of Shares (in Thousands)	Carrying Amount	Shareholding Percentage (%)	Fair Value	
Chien Kuo Construction Co., Ltd.	<u>Fund</u>							
	Allianz Global Investors Taiwan Technology Fund	—	Financial assets at FVTPL - current	132	\$ 18,240	-	\$ 18,240	—
	CTBC Leading Semiconductor ETF	—	"	983	14,657	-	14,657	—
	Yuanta Taiwan 50 ETF	—	"	20	2,762	-	2,762	—
	<u>Stock</u>							
	China Steel Corporation	—	Financial assets at FVTPL - current	308	11,997	-	11,997	—
	Taiwan Semiconductor Manufacturing Co., Ltd.	—	"	40	23,880	-	23,880	—
	Evergreen Marine Corporation	—	"	40	5,400	-	5,400	—
	Richwave Technology Corp.	—	"	20	3,762	0.03%	3,762	—
	Sino-American Silicon Products Inc.	—	"	45	7,965	0.01%	7,965	—
	GlobalWafers Co., Ltd	—	"	50	33,550	0.01%	33,550	—
	AirTAC International Group	—	"	1	931	-	931	—
	United Microelectronics Corp.	—	"	70	3,780	-	3,780	—
	Macronix International Co., Ltd.	—	"	35	1,403	-	1,403	—
	SDI Corporation	—	"	10	1,640	0.01%	1,640	—
	Elite Material Co., Ltd.	—	"	5	1,290	-	1,290	—
	Nanya Technology Corporation	—	"	14	969	-	969	—
	MediaTek Inc.	—	"	4	3,620	-	3,620	—
	Visual Photonics Epitaxy Co., Ltd.	—	"	4	454	-	454	—
	China Airlines Ltd.	—	"	105	2,798	-	2,798	—
	Faraday Technology Corporation	—	"	13	3,972	0.01%	3,972	—
	Unimicron Technology Corporation	—	"	26	6,474	-	6,474	—
	Kinsus Interconnect Technology Corp.	—	"	25	4,862	0.01%	4,862	—

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Holding Company	Type and Name of Marketable Securities	Relationship with the Marketable Security Issuer	Financial Statement Account	End of period				Note
				Number of Shares (in Thousands)	Carrying Amount	Shareholding Percentage (%)	Fair Value	
	Global Unichip Corp.	—	Financial assets at FVTPL - current	3	\$ 1,515	-	\$ 1,515	—
	ASRock Inc.	—	"	5	1,075	-	1,075	—
	eMemory Technology Inc.	—	"	1	1,850	-	1,850	—
	Lotes Co., Ltd.	—	"	2	1,469	-	1,469	—
	Jentech Precision Industrial Co., Ltd.	—	"	3	1,230	-	1,230	—
	Alchip Technologies, Limited.	—	"	4	4,400	0.01%	4,400	—
	Parade Technologies, Ltd.	—	"	1	1,810	-	1,810	—
	TONG HSING ELECTRONIC INDUSTRIES, LTD.	—	"	11	3,190	0.01%	3,190	—
	Wiwynn Corporation	—	"	1	1,020	-	1,020	—
	AES Holding Co., Ltd.	—	"	1	1,270	-	1,270	—
	Nan Ya PCB Co., Ltd.	—	"	22	11,528	-	11,528	—
	E Ink Holdings Inc.	—	"	47	8,695	-	8,695	—
	Merida Industry Co., Ltd.	—	"	3	759	-	759	—
	Formosa Plastics Corp.	—	"	28	2,982	-	2,982	—
	GIGABYTE Technology Co., Ltd.	—	"	8	1,040	-	1,040	—
	Fubon Financial Holding Co., Ltd.	—	"	44	3,366	-	3,366	—
	CTBC Financial Holding Co., Ltd.	—	"	63	1,852	-	1,852	—
	Alltop Technology Co., Ltd.	—	"	6	1,173	0.01%	1,173	—
	Innodisk Corporation	—	"	6	1,290	0.01%	1,290	—
	Wafer Works Corporation	—	"	15	1,034	-	1,034	—
	All Ring Tech Co., Ltd.	—	"	7	938	0.01%	938	—
	BMC Venture Capital Investment Corporation	—	Financial assets at FVTPL - non-current	2,700	26,100	-	26,100	—
	Chia Hsin Cement Corporation	—	Financial assets measured at FVTOCI - current	1,114	23,349	0.14%	23,349	—
	Chunghwa Telecom Co., Ltd.	—	"	139	17,653	-	17,653	—
	SinoPac Financial Holdings Company Ltd.	—	"	340	6,256	-	6,256	—
	Taiwan Cement Corporation	—	Financial assets measured at FVTOCI - non-current	6,191	308,933	0.10%	308,933	(Note 2)
	Chia Hsin Cement Corporation	—	"	6,853	143,570	0.88%	143,570	(Note 3)

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Holding Company	Type and Name of Marketable Securities	Relationship with the Marketable Security Issuer	Financial Statement Account	End of period				Note
				Number of Shares (in Thousands)	Carrying Amount	Shareholding Percentage (%)	Fair Value	
Chien Kuo Building Co., Ltd.	<u>Stock</u>							
	Evergreen Marine Corporation	—	Financial assets at FVTPL - current	20	\$ 2,700	-	\$ 2,700	—
	RDC Semiconductor Co., LTD	—	"	36	13,518	0.05%	13,518	—
Golden Canyon Venture Capital Investment Co., Ltd.	<u>Stock</u>							
	UPI Semiconductor Corp.	—	"	7	4,445	0.01%	4,445	—
	Locus Cell Co., Ltd.	—	Financial assets at FVTPL - non-current	1,000	10,000	-	10,000	—
Golden Canyon Limited	Mega Union Technology Incorporated	—	Financial assets at FVTPL - non-current	720	43,200	-	43,200	—
	<u>Fund</u>							
	Citi Taiwan-92A4USD Liquidity Fund	—	Financial assets at FVTPL - current	71	215,284	-	215,284	—
	Citi Taiwan-92A3USD Liquidity Fund	—	"	57	171,984	-	171,984	—
	Citi Taiwan-40A2USD Liquidity Fund	—	"	29	85,948	-	85,948	—
	Citi Taiwan - A1USD Trade Finance Fund	—	"	25	71,575	-	71,575	—
	North American Income Trust Fund	—	"	464	14,105	-	14,105	—
	KraneShares CSI China Internet ETF(KWEB)	—	"	17	14,236	-	14,236	—
	CSOP S&P New China Sectors HKD Inc ETF(83167)	—	"	213	51,500	-	51,500	—
	iShares FTSE China A50 ETF(82823)	—	"	323	19,182	-	19,182	—
	PVG GCN VENTURES, L.P.	—	"	-	12,381	5.00%	12,381	—
	CSVI VENTURES,L.P.	(Note 1)		-	36,302	6.45%	36,302	—
	<u>Stock</u>							
	Block Inc.(SQ)	—	Financial assets at FVTPL - current	2	9,605	-	9,605	—
	Sea Limited (SE)	—	"	3	9,449	-	9,449	—
	Alibaba (9988)	—	"	31	12,893	-	12,893	—
	<u>Bonds</u>							
	Cash Plus Bonds	—	Financial assets at FVTPL - current	300	8,615	-	8,615	—

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Holding Company	Type and Name of Marketable Securities	Relationship with the Marketable Security Issuer	Financial Statement Account	End of period				Note
				Number of Shares (in Thousands)	Carrying Amount	Shareholding Percentage (%)	Fair Value	
Silver Shadow Holding Limited	<u>Fund</u>							
	SinoPac Securities — Capital Chinese Golden Age Equity Fund (RMB)	—	Financial assets at FVTPL - current	314	\$ 19,100	-	\$ 19,100	—
	SinoPac Securities - Fuh Hwa China New Economy A Shares Equity Fund (RMB)	—	"	367	17,759	-	17,759	—
	Citi Taiwan-92A4USD Liquidity Fund	—	"	85	258,374	-	258,374	—
	Citi Taiwan-92A3USD Liquidity Fund	—	"	62	186,311	-	186,311	—
	Citi Taiwan-40A2USD Liquidity Fund	—	"	63	186,229	-	186,229	—
	Citi Taiwan - A1USD Trade Finance Fund	—	"	54	157,485	-	157,485	—
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC	—	"	2,000	57,260	-	57,260	—
	Class B Shares of Bridgewater All Weather Portfolio II Investments, Ltd.	—	"	3	85,890	-	85,890	—
	Vanguard Value ETF	—	"	6	26,993	-	26,993	—
	<u>Bonds</u>							
	Cash Plus Bonds	—	Financial assets at FVTPL - current	640	18,377	-	18,377	—
	<u>Stock</u>							
	Abbott Laboratories	—	Financial assets at FVTPL - current	-	1,023	-	1,023	—
	AECOM	—	"	1	1,196	-	1,196	—
	AeroVironment, Inc.	—	"	-	650	-	650	—
	AIA Group Limited	—	"	2	457	-	457	—
	Alibaba Group Holding Limited	—	"	5	1,894	-	1,894	—
	Alphabet Inc.	—	"	-	3,278	-	3,278	—
	Aluminum Corp of China Limited	—	"	15	248	-	248	—
	Amazon.com, Inc.	—	"	-	3,173	-	3,173	—
	American Tower Corporation (REIT)	—	"	-	906	-	906	—
	Apple Inc.	—	"	1	3,809	-	3,809	—
	Aptiv PLC	—	"	-	727	-	727	—
	AstraZeneca PLC	—	"	-	1,645	-	1,645	—
	Baidu, Inc.	—	"	1	569	-	569	—
	Baker Hughes Company	—	"	1	1,202	-	1,202	—
	BlackRock, Inc.	—	"	-	941	-	941	—

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Holding Company	Type and Name of Marketable Securities	Relationship with the Marketable Security Issuer	Financial Statement Account	End of period				Note
				Number of Shares (in Thousands)	Carrying Amount	Shareholding Percentage (%)	Fair Value	
	BNY Mellon Strategic Municipal Bond Fund, Inc.	—	Financial assets at FVTPL - current	-	\$ 570	-	\$ 570	—
	BYD Company Limited	—	"	1	721	-	721	—
	CanSino Biologics Inc.	—	"	1	255	-	255	—
	China Merchants Bank Co., Ltd.	—	"	3	622	-	622	—
	China Tourism Group Duty Free Corporation Limited	—	"	-	222	-	222	—
	China Yangtze Power Co., Ltd.	—	"	5	446	-	446	—
	CITIC Securities Company Limited	—	"	7	682	-	682	—
	Clean Harbors, Inc.	—	"	-	1,084	-	1,084	—
	Compagnie de Saint-Gobain S.A.	—	"	3	873	-	873	—
	Contemporary Amperex Technology Co., Limited	—	"	1	1,155	-	1,155	—
	Corteva, Inc. (CTVA)	—	"	1	1,466	-	1,466	—
	Darling Ingredients Inc.	—	"	1	1,379	-	1,379	—
	DBS Group Holdings Ltd	—	"	2	1,264	-	1,264	—
	Deere & Company	—	"	-	1,202	-	1,202	—
	Elanco Animal Health Incorporated	—	"	1	1,031	-	1,031	—
	Equinix, Inc. (REIT)	—	"	-	871	-	871	—
	Fidelity National Information Services, Inc.	—	"	-	1,047	-	1,047	—
	Galaxy Entertainment Group Limited	—	"	1	152	-	152	—
	Graphic Packaging Holding Company	—	"	2	1,200	-	1,200	—
	Hangzhou Oxygen Plant Group Co.,Ltd.	—	"	1	142	-	142	—
	Honeywell International Inc.	—	"	-	986	-	986	—
	Hong Kong Exchanges and Clearing Limited	—	"	-	171	-	171	—
	Hubei Xingfa Chemicals Group Co., Ltd.	—	"	2	359	-	359	—
	iFLYTEK CO.,LTD	—	"	2	357	-	357	—
	Inner Mongolia Yili Industrial Group Co., Ltd.	—	"	4	665	-	665	—
	Keyence Corporation	—	"	-	700	-	700	—
	KION GROUP AG	—	"	-	710	-	710	—

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Holding Company	Type and Name of Marketable Securities	Relationship with the Marketable Security Issuer	Financial Statement Account	End of period				Note
				Number of Shares (in Thousands)	Carrying Amount	Shareholding Percentage (%)	Fair Value	
	Linde plc	—	Financial assets at FVTPL - current	-	\$ 1,157	-	\$ 1,157	—
	LONGi Green Energy Technology Co., Ltd.	—	"	1	403	-	403	—
	LVMH Moët Hennessy - Louis Vuitton, Société Européenne	—	"	-	1,188	-	1,188	—
	Maravai LifeSciences Holdings, Inc.	—	"	1	937	-	937	—
	MercadoLibre, Inc.	—	"	-	954	-	954	—
	Microsoft Corporation	—	"	-	3,875	-	3,875	—
	Mondelez International, Inc.	—	"	1	1,305	-	1,305	—
	MP Materials Corp.	—	"	1	1,249	-	1,249	—
	NARI Technology Co., Ltd.	—	"	3	440	-	440	—
	Nestlé S.A.	—	"	-	1,439	-	1,439	—
	NextEra Energy, Inc.	—	"	-	951	-	951	—
	NIKE, Inc.	—	"	-	1,129	-	1,129	—
	NVIDIA Corporation	—	"	-	1,500	-	1,500	—
	NXP Semiconductors N.V.	—	"	-	1,023	-	1,023	—
	Palo Alto Networks, Inc.	—	"	-	1,265	-	1,265	—
	PetroChina Company Limited	—	"	46	679	-	679	—
	Ping An Insurance (Group) Company of China, Ltd.	—	"	3	519	-	519	—
	Prosus N.V.	—	"	2	731	-	731	—
	Roblox Corporation	—	"	-	531	-	531	—
	Rogers Corporation	—	"	-	1,462	-	1,462	—
	S&P Global Inc.	—	"	-	869	-	869	—
	salesforce.com, inc.	—	"	-	1,222	-	1,222	—
	Samsung SDI Co., Ltd.	—	"	-	930	-	930	—
	Schneider Electric S.E.	—	"	1	833	-	833	—
	Shenzhen Sunlord Electronics Co.,Ltd.	—	"	1	115	-	115	—
	Singapore Technologies Engineering Ltd	—	"	12	1,065	-	1,065	—
	SolarEdge Technologies, Inc.	—	"	-	1,172	-	1,172	—
	Sony Group Corporation	—	"	-	1,083	-	1,083	—
	Taiwan Semiconductor Manufacturing Company Limited	—	"	-	1,373	-	1,373	—

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Holding Company	Type and Name of Marketable Securities	Relationship with the Marketable Security Issuer	Financial Statement Account	End of period				Note
				Number of Shares (in Thousands)	Carrying Amount	Shareholding Percentage (%)	Fair Value	
	Take-Two Interactive Software, Inc.	—	Financial assets at FVTPL - current	-	\$ 1,175	-	\$ 1,175	—
	Teledyne Technologies Incorporated	—	"	-	1,150	-	1,150	—
	Tencent Holdings Limited	—	"	2	2,203	-	2,203	—
	The Charles Schwab Corporation	—	"	1	1,351	-	1,351	—
	The Coca-Cola Company	—	"	1	1,261	-	1,261	—
	The Middleby Corporation	—	"	-	892	-	892	—
	The Walt Disney Company	—	"	-	1,221	-	1,221	—
	Thermo Fisher Scientific Inc.	—	"	-	1,032	-	1,032	—
	UnitedHealth Group Incorporated	—	"	-	1,913	-	1,913	—
	Vertex Pharmaceuticals Incorporated	—	"	-	1,210	-	1,210	—
	Visa Inc.	—	"	-	1,740	-	1,740	—
	Volkswagen AG	—	"	-	981	-	981	—
	WuXi Biologics (Cayman) Inc.	—	"	2	378	-	378	—
	Zhuzhou CRRC Times Electric Co., Ltd.	—	"	2	271	-	271	—
	China Construction Bank Corporation	—	"	13	282	-	282	—
	Haier Smart Home Co., Ltd.	—	"	2	198	-	198	—
	JD.com, Inc.	—	"	1	555	-	555	—
	Kweichow Moutai Co., Ltd.	—	"	-	775	-	775	—
	Meituan	—	"	-	271	-	271	—
	NetEase, Inc.	—	"	1	327	-	327	—
	Tianjin Zhonghuan Semiconductor Co., Ltd.	—	"	1	231	-	231	—
	Yonghui Superstores Co., Ltd.	—	"	8	158	-	158	—
	Zijin Mining Group Company Limited	—	"	8	339	-	339	—
	Jiangsu Hengrui Medicine Co., Ltd.	—	"	1	116	-	116	—
	Li Ning Company Limited	—	"	1	124	-	124	—
	LianChuang Electronic Technology Co.,Ltd	—	"	2	100	-	100	—
	Adyen N.V.	—	"	-	519	-	519	—
	Boston Scientific Corporation	—	"	1	1,050	-	1,050	—

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Holding Company	Type and Name of Marketable Securities	Relationship with the Marketable Security Issuer	Financial Statement Account	End of period				Note
				Number of Shares (in Thousands)	Carrying Amount	Shareholding Percentage (%)	Fair Value	
	CyberArk Software Ltd.	—	Financial assets at FVTPL - current	-	\$ 720	-	\$ 720	—
	London Stock Exchange Group plc	—	"	-	1,419	-	1,419	—
	Nintendo Co., Ltd.	—	"	1	1,086	-	1,086	—
	Quanta Services, Inc.	—	"	-	1,116	-	1,116	—
	Rocket Companies, Inc.	—	"	-	776	-	776	—
	Advantest Corporation	—	"	-	770	-	770	—
	Sea Limited (SE)	—	"	1	2,949	-	2,949	—

Note 1. The chief decision-makers of the fund are the directors of the Group.

Note 2. Among them, 2,126 thousand shares are pledged to the Court as collateral against the litigation between the Group and Shing Tzung.

Note 3. Among them, 2,000 thousand shares are pledged to the bank as collateral for the performance of construction contracts.

Note 4. For information regarding investment of subsidiaries, please refer to Appendix 6 and Appendix 7.

Chien Kuo Construction Co., Ltd. and Subsidiaries

Purchases from or Sales to Related Parties Amounting to NT\$100 million or 20% of the Paid-in Capital or More.

January 1 to March 31, 2022

Appendix 3

Unit: NT\$ Thousands

Purchaser/ Seller	Counter-party	Relationship	Transaction Situation				Situations and Reasons of Transaction Terms Different from General Transaction Terms (Note 1)		Notes and Accounts Receivable (Payable)		Note (Note 2)
			Purchases (Sales)	Amount	Ratio to Total Purchase (Sales)	Credit period	Unit Price	Credit period	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable)	
Chien Kuo Construction Co., Ltd.	Shun Long International Electrical Engineering Co., Ltd.	Subsidiary	Purchases	\$ 39,499	4.29%	Subject to the agreement	-	-	(\$ 192,516)	(13.28%)	
Shun Long International Electrical Engineering Co., Ltd.	Chien Kuo Construction Co., Ltd.	Parent company	Sales	(39,499)	(99.99%)	Subject to the agreement	-	-	192,516	100.00%	

Note 1. If related party transaction terms are different from general transaction terms, situations and reasons for the differences should be specified in the unit price and the credit period columns.

Note 2. In case of advance receipts (prepayments), reasons, the terms of the agreement, the amount and differences from the general transaction type shall be specified in the Note column.

Note 3. Paid-in capital refers to the parent's paid-in capital. When the issuer's stock has no par value, or the par value is not NT\$10 per share, the maximum transaction amount related to 20% of the paid-in capital is calculated based on 10% of equity attributable to owners of the parent in the balance sheet.

Chien Kuo Construction Co., Ltd. and Subsidiaries
Receivables from Related Parties Amounting to NT\$100 Million or 20% of the Paid in Capital or More
March 31, 2022

Appendix 4

Unit: NT\$ Thousands

Company to Which the Accounts Receivable Is Due	Counter-party	Relationship	Balance Dues from Related Parties	Turnover Rate	Overdue Receivables from Related Party		Subsequently Recovered Amount from Related Party	Loss Allowance Provided
					Amount	Action Taken		
Shun Long International Electrical Engineering Co., Ltd.	Chien Kuo Construction Co., Ltd.	Parent company	Accounts receivable \$ 192,516	0.71	\$ -	\$ -	\$ 13,728	\$ -

Note 1. Amount received as of May 10, 2022.

Chien Kuo Construction Co., Ltd. and Subsidiaries
Inter-company Business Relationships and Significant Inter-company Transactions
January 1 to March 31, 2022

Appendix 5

Unit: NT\$ Thousands

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			
				Financial Statements Item	Amount	Transaction Terms	Ratio to total Revenue or Total Assets
0	Chien Kuo Construction Co., Ltd.	Shun Long International Electrical Engineering Co., Ltd.	(1)	Other prepayments	\$ 23,828	Note 2	0.30%
			(1)	Construction costs	39,499	Note 2	3.67%
			(1)	Contract assets - property construction	2,001,261	Note 2	24.78%
			(1)	Accounts payable	192,516	Note 2	2.38%
			(1)	Accounts payable - Provisional	20,224	Note 2	0.25%

Note 1. The nature of relationship is divided into the following three categories:

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

Note 2. Conducted in line with ordinary terms.

Chien Kuo Construction Co., Ltd. and Subsidiaries
Information on Invested Companies and Their Locations, etc.
January 1 to March 31, 2022

Appendix 6

Unit: NT\$ Thousands

Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount		Ending Balance			Profit or Loss of Invested Company in the Current Period	Investment Profit/Loss Recognized in the Current Period	Note
				End of the Period	End of Last Year	Number of Shares (in Thousands)	Ratio (%)	Carrying Amount			
Chien Kuo Construction Co., Ltd.	Golden Canyon Limited	British Virgin Islands	Reinvestment	\$ 183,751	\$ 183,751	5,881	100.00%	\$ 1,458,582	(\$ 38,491)	(\$ 38,491)	Subsidiary
	Silver Shadow Holding Limited	British Virgin Islands	Reinvestment	704,069	704,069	21,606	100.00%	1,810,471	(29,784)	(29,784)	Subsidiary
	Chien Kuo Building Co., Ltd.	Taiwan	Building construction commission; public housing lease and sale	144,065	144,065	10,000	100.00%	92,104	(9,210)	(9,210)	Subsidiary
	Shun Long International Electrical Engineering Co., Ltd.	Taiwan	Undertaking mechanical, electrical and plumbing/refrigeration/air conditioning engineering; wholesale and retail of equipment	51,219	51,219	7,000	100.00%	84,732	1,909	1,909	Subsidiary
	Golden Canyon Venture Capital Investment Co., Ltd.	Taiwan	Venture capital business	401,000	401,000	40,100	100.00%	398,031	(322)	(322)	Subsidiary
	Golden Canyon II Venture Capital Investment Co., Ltd.	Taiwan	Venture capital business	200,000	200,000	20,000	100.00%	199,836	49	49	Subsidiary
	CK Asia Co., Ltd.	British Virgin Islands	Reinvestment	118,002	118,002	226	54.78%	137,133	263	Note 3	Sub-subsubsidiary
Silver Shadow Holding Limited	CK Asia Co., Ltd.	British Virgin Islands	Reinvestment	104,987	104,987	187	45.22%	113,211	263	Note 3	Sub-subsubsidiary

Note 1. Where there involves a foreign currency, it is translated into New Taiwan Dollars by using the exchange rate as of March 31, 2022 (US\$1=NT\$28.63), except for profit or loss items, which are translated into New Taiwan Dollars by using the average exchange rate for the three months ended March 31, 2022 and 2021 (US\$1=NT\$28.00).

Note 2. Please refer to Appendix 7 for information on investments in Mainland China.

Note 3. The gains or losses of an invested company are incorporated into those of the investor. To avoid confusion, they are not separately presented here.

Chien Kuo Construction Co., Ltd. and Subsidiaries
Information on Investments in Mainland China
January 1 to March 31, 2022

Appendix 7

Unit: NT\$ Thousands

Investee in Mainland China	Principal Business Activities	Paid-in Capital	Manner of Investment	Cumulative Investment Amount Remitted from Taiwan - Beginning of the Period	Investment Amount Remitted or Received for the Current Period		Ending Balance of Accumulated Outflow of Investment from Taiwan	Profit or Loss of Invested Company in the Current Period	Percentage of Ownership (Direct or Indirect)	Investment Gains (Losses) Recognized for the Current Period (Note 1)	Carrying Amount as of September 30, 2021 (Note 1)	Investment Gains Repatriated by the End of the Current Period	Note
					Remitted	Received							
CK Asia (Shanghai) Information Technology Co., Ltd.	Computer software technology development and consultation	\$ 123,519	Investment through a company founded in a third region	\$ 68,326	\$ -	\$ -	\$ 68,326	(\$ 567)	100%	(\$ 567)	\$ 126,497	\$ 41,113	
Yangzhou Chien Yung Concrete Co., Ltd.	Production and sale of concrete and concrete products	57,260	Investment through a company founded in a third region	197,041	-	-	197,041	757	100%	757	95,701	168,105	

Accumulated Investment Remitted from Taiwan to Mainland China at the End of the Period	Investment Amount Approved by the Investment Commission of the Ministry of Economic Affairs (MOEAIC)	Upper Limit on Investment Authorized by MOEAIC
\$ 868,785 (Note 3)	\$ 975,414 (Note 2)	\$ 2,913,201

Note 1. The amount was recognized based on the reviewed financial statements.

Note 2. The amount authorized by the Investment Commission, MOEA was NT\$1,529,603 thousand, of which NT\$554,189 thousand was the earnings of invested companies in mainland China remitted to the third regions, and was not included in the calculation of the limit on investment.

Note 3. The amount remitted from Taiwan was NT\$868,785, including the following expenses:

(1) Loss on investment:

Investee in Mainland China	Original Investment Amount	Repatriated Investment Amount	Loss on Investment
Shanghai Chien Chung Concrete Co., Ltd.	\$ 33,553	\$ 14,058	\$ 19,495
Shanghai Ruihui Trading Co., Ltd.	9,210	916	8,294
Nanjing Jianxing Concrete Co., Ltd.	25,728	25,618	110
Jianxiang Management Consultant (Shanghai) Co., Ltd.	1,779	-	1,779

(2) Of the amount, NT\$163,869 thousand (USD5,682 thousand) originated from the funds of the third regions.

Chien Kuo Construction Co., Ltd. and Subsidiaries

Information on Major Shareholders

March 31, 2022

Appendix 8

Unit: In thousand shares

List of Major Shareholders	Shareholding	
	Number of Shares Held	Percentage (%)
Chien Hwei Investment Co., Ltd.	46,012	17.87%
Chi-te CHEN	18,844	7.31%
Chen-ching CHEN	13,633	5.29%

Note: Information on major shareholders in this table is provided by Taiwan Depository & Clearing Corporation according to information on shareholders holding at least 5% or greater of common stocks and preferred shares (including treasury shares) that have been issued and delivered without physical registration by the Company on the last business day at the end of the current quarter. The number of shares recorded in the Group's consolidated financial statements and the number of shares that have completed delivery of non-physical registration may differ due to the different calculation bases.