

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Financial Statements and
Independent Auditors' Review Report

For the Six Months

Ended June 30, 2021 and 2020

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

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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 June 30, 2021 and 2020, the Consolidated Statements of Comprehensive Income from April 1 to June 30, 2021 and 2020 and for the six-month periods ended June 30, 2021 and 2020, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements (including Summary of Significant Accounting Policies) for the six-month periods from January 1 to June 30, 2021 and 2020. 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 do not present fairly, in all material aspects the financial position of the entity as of June 30, 2021 and 2020, and of its consolidated financial performance for the three-month periods ended June 30, 2021 and 2020, and its consolidated financial performance and cash flows for the six-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: Wen-Chin Lin

Securities and Futures Bureau Approval

Document No.:

Tai-Cai-Zheng-6 No. 0920123784

CPA: Chun-Hung Chen

Financial Supervisory Commission Approval

Document No.:

FSC Approval Document No. 0990031652

August 13, 2021

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

June 30, 2021, December 31, 2020, and June 30, 2020

Code	Assets	June 30, 2021 (Reviewed)				December 31, 2020 (Audited)				Unit: NT\$ Thousand	
		June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)		June 30, 2020 (Reviewed)		June 30, 2020 (Reviewed)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1100	Current assets										
1110	Cash and cash equivalents (Note VI)	\$ 2,974,909	36	\$ 2,607,033	30	\$ 2,927,693	35				
1110	Financial assets at fair value through profit or loss (Note VII)	1,269,166	16	1,745,016	20	111,186	1				
1120	Financial assets at fair value through other comprehensive income (Notes VIII and XXX)	24,965	-	24,569	-	22,763	-				
1136	Financial assets at amortized cost (Notes IX and XXX)	351,700	4	292,741	3	59,260	1				
1140	Contract assets (Note XX)	1,358,970	17	1,586,371	18	1,736,329	21				
1150	Notes receivable (Note X)	65,735	1	89,256	1	216,719	3				
1170	Accounts receivable (Notes X and XX)	665,787	8	584,381	7	1,775,547	21				
1200	Other receivables	15,150	-	155,105	2	11,100	-				
1220	Current tax assets	108,014	1	110,592	1	271	-				
1310	Inventories	-	-	-	-	14,024	-				
1323	Inventories (for construction business) (Notes XI and XXX)	465,926	6	465,926	5	463,577	6				
1410	Prepayments (Note XII)	141,175	2	53,591	1	219,096	3				
1460	Non-current assets classified as held for sale (Note XIV)	-	-	353,954	4	-	-				
1470	Other current assets	19,848	-	6,376	-	44,325	-				
11XX	Total current assets	<u>7,461,345</u>	<u>91</u>	<u>8,074,911</u>	<u>92</u>	<u>7,601,890</u>	<u>91</u>				
1510	Non-current assets										
1517	Financial assets at fair value through profit or loss (Note VII)	87,405	1	67,355	1	66,646	1				
1535	Financial assets at fair value through other comprehensive income (Notes VIII and XXX)	469,250	6	398,003	5	373,015	5				
1550	Financial assets at amortized cost (Notes IX and XXX)	1,672	-	5,696	-	5,926	-				
1600	Investments accounted for using equity method (Note XIII)	-	-	-	-	8,804	-				
1755	Property, plant and equipment (Note XXX)	32,590	1	33,577	-	119,413	1				
1760	Right-of-use assets (Notes XV and XXX)	29,517	-	25,049	-	40,211	-				
1840	Investment properties (Notes XVI and XXX)	102,984	1	122,643	2	123,162	2				
1990	Deferred tax assets	25,986	-	30,965	-	30,199	-				
15XX	Other non-current assets (Note XXX)	24,795	-	23,653	-	19,152	-				
15XX	Total non-current assets	<u>774,199</u>	<u>9</u>	<u>706,941</u>	<u>8</u>	<u>786,528</u>	<u>9</u>				
1XXX	Total assets	<u>\$ 8,235,544</u>	<u>100</u>	<u>\$ 8,781,852</u>	<u>100</u>	<u>\$ 8,388,418</u>	<u>100</u>				
Code	Liabilities and Equity										
2100	Current liabilities										
2110	Short-term loans (Notes XVII and XXX)	\$ -	-	\$ 15,000	-	\$ 85,000	1				
2110	Short-term bills payable (Note XVII)	-	-	-	-	49,984	1				
2120	Financial liabilities at fair value through profit or loss (Note VII)	-	-	-	-	14	-				
2130	Contract liabilities (Note XX)	133,494	2	93,909	1	165,692	2				
2150	Notes payable	15,227	-	10,120	-	33,669	-				
2170	Accounts payable (Note XVIII)	1,521,903	19	1,810,129	21	1,842,696	22				
2200	Other payables	179,747	2	242,799	3	317,835	4				
2230	Current tax liabilities	27,441	-	29,520	-	36,039	-				
2260	Liabilities related to non-current assets classified as held for sale (Note XIV)	-	-	30,274	1	-	-				
2310	Advanced received due to disposal of investments (XIV)	-	-	531,083	6	-	-				
2320	Current portion of long-term loans (Note XVII)	599,248	7	449,292	5	149,746	2				
2399	Other current liabilities (Note XV)	58,477	1	72,710	1	64,516	1				
21XX	Total current liabilities	<u>2,535,537</u>	<u>31</u>	<u>3,284,836</u>	<u>38</u>	<u>2,745,191</u>	<u>33</u>				
2540	Non-current liabilities										
2570	Long-term loans (Notes XVII and XXX)	350,000	4	499,850	6	799,313	10				
2600	Deferred tax liabilities	490,048	6	457,330	5	531,992	6				
25XX	Other non-current liabilities (Note XV)	98,553	1	111,185	1	99,651	1				
25XX	Total non-current liabilities	<u>938,601</u>	<u>11</u>	<u>1,068,365</u>	<u>12</u>	<u>1,430,956</u>	<u>17</u>				
2XXX	Total liabilities	<u>3,474,138</u>	<u>42</u>	<u>4,353,201</u>	<u>50</u>	<u>4,176,147</u>	<u>50</u>				
3110	Equity attributable to owners of the parent (Note XIX)										
3110	Capital										
3200	Common stock	<u>2,574,401</u>	<u>31</u>	<u>2,574,401</u>	<u>29</u>	<u>2,674,401</u>	<u>32</u>				
3200	Additional paid-in capital	<u>204,852</u>	<u>3</u>	<u>204,852</u>	<u>2</u>	<u>202,620</u>	<u>2</u>				
3310	Retained Earnings										
3320	Legal reserve	645,464	8	645,464	8	645,464	8				
3320	Special reserve	23,412	-	23,412	-	23,412	-				
3350	Unappropriated earnings	1,280,421	16	1,038,788	12	850,138	10				
3300	Total retained earnings	1,949,297	24	1,707,664	20	1,519,014	18				
3400	Other equity	32,856	-	(58,266)	(1)	(85,996)	(1)				
3500	Treasury stock	-	-	-	-	(97,768)	(1)				
3XXX	Total equity	<u>4,761,406</u>	<u>58</u>	<u>4,428,651</u>	<u>50</u>	<u>4,212,271</u>	<u>50</u>				
	Total liabilities and equity	<u>\$ 8,235,544</u>	<u>100</u>	<u>\$ 8,781,852</u>	<u>100</u>	<u>\$ 8,388,418</u>	<u>100</u>				

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

Chien Kuo Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income

From April 1 to June 30, 2021 and 2020, and for the Six Months Ended June 30, 2021 and 2020

(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		April 1 to June 30, 2021		April 1 to June 30, 2020		January 1 to June 30, 2021		January 1 to June 30, 2020	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note XX)	\$ 1,435,637	100	\$ 1,861,846	100	\$ 2,627,885	100	\$ 3,246,856	100
5000	Operating costs (Notes XXI and XXIX)	<u>1,260,658</u>	<u>88</u>	<u>1,733,451</u>	<u>93</u>	<u>2,330,686</u>	<u>89</u>	<u>3,009,059</u>	<u>93</u>
5900	Gross profit	174,979	12	128,395	7	297,199	11	237,797	7
6000	Operating expenses (Notes XXI and XXIX)	<u>80,205</u>	<u>5</u>	<u>57,644</u>	<u>3</u>	<u>149,163</u>	<u>5</u>	<u>115,063</u>	<u>3</u>
6900	Net operating income	<u>94,774</u>	<u>7</u>	<u>70,751</u>	<u>4</u>	<u>148,036</u>	<u>6</u>	<u>122,734</u>	<u>4</u>
	Non-operating income and expenses (Notes XXI and XXIX)								
7010	Other income	16,947	1	10,437	-	33,129	1	26,694	1
7020	Other gains and losses (Note XXIV)	21,709	1	(3,112)	-	160,916	6	82,817	2
7050	Finance costs	(2,454)	-	(2,396)	-	(4,900)	-	(5,314)	-
7060	Shares of profits or loss of associates accounted for using the equity method			(1,149)	-			(362)	-
7000	Total non-operating income and expenses	<u>36,202</u>	<u>2</u>	<u>3,780</u>	<u>-</u>	<u>189,145</u>	<u>7</u>	<u>103,835</u>	<u>3</u>
7900	Income before income tax from continuing operations	130,976	9	74,531	4	337,181	13	226,569	7
7950	Income tax expense (Note XXII)	<u>30,135</u>	<u>2</u>	<u>19,849</u>	<u>1</u>	<u>97,932</u>	<u>4</u>	<u>64,932</u>	<u>2</u>
8000	Net income from continuing operations	100,841	7	54,682	3	239,249	9	161,637	5
8100	Profits from discontinued operations (Notes XIV, XXI, and XXII)			<u>9,916</u>	<u>1</u>			<u>23,708</u>	<u>1</u>
8200	Net income	<u>100,841</u>	<u>7</u>	<u>64,598</u>	<u>4</u>	<u>239,249</u>	<u>9</u>	<u>185,345</u>	<u>6</u>
	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	39,354	3	38,759	2	76,290	3	(46,790)	(2)
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of financial statements of foreign operations	(59,634)	(4)	(81,146)	(5)	21,520	1	(53,311)	(1)
8368	Gain or loss of hedging instruments (Note XXVIII)	-	-	(5,191)	-	-	-	(1,042)	-
8399	Income tax related to items of other comprehensive income that may be reclassified subsequently to profit or loss (Note XXII)								
8300	Other comprehensive income (after tax)	<u>11,927</u>	<u>-</u>	<u>16,230</u>	<u>1</u>	<u>(4,304)</u>	<u>-</u>	<u>10,663</u>	<u>-</u>
		<u>(8,353)</u>	<u>(1)</u>	<u>(31,348)</u>	<u>(2)</u>	<u>93,506</u>	<u>4</u>	<u>(90,480)</u>	<u>(3)</u>
8500	Total comprehensive income	<u>\$ 92,488</u>	<u>6</u>	<u>\$ 33,250</u>	<u>2</u>	<u>\$ 332,755</u>	<u>13</u>	<u>\$ 94,865</u>	<u>3</u>
	Net income (loss) attributable to:								
8610	Owners of the parent	\$ 100,841	7	\$ 64,598	4	\$ 239,249	9	\$ 184,506	6
8620	Non-controlling interests	<u>\$ 100,841</u>	<u>7</u>	<u>\$ 64,598</u>	<u>4</u>	<u>\$ 239,249</u>	<u>9</u>	<u>\$ 185,345</u>	<u>6</u>
	Comprehensive income attributable to:								
8710	Owners of the parent	\$ 92,488	6	\$ 33,250	2	\$ 332,755	13	\$ 94,026	3
8720	Non-controlling interests	<u>\$ 92,488</u>	<u>6</u>	<u>\$ 33,250</u>	<u>2</u>	<u>\$ 332,755</u>	<u>13</u>	<u>\$ 94,865</u>	<u>3</u>
	Earnings per share (Note XXIII)								
	From continuing and discontinued operations								
9750	Basic	<u>\$ 0.39</u>		<u>\$ 0.25</u>		<u>\$ 0.93</u>		<u>\$ 0.70</u>	
9850	Diluted	<u>\$ 0.39</u>		<u>\$ 0.25</u>		<u>\$ 0.93</u>		<u>\$ 0.70</u>	
	From continuing operations								
9710	Basic	<u>\$ 0.39</u>		<u>\$ 0.21</u>		<u>\$ 0.93</u>		<u>\$ 0.61</u>	
9810	Diluted	<u>\$ 0.39</u>		<u>\$ 0.21</u>		<u>\$ 0.93</u>		<u>\$ 0.61</u>	

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

Manager: Shih-ning TUNG

Accounting Manager: Shu-fen YANG

Chairman: Chang-shiou WU

Chien Kuo Construction Co., Ltd. and Subsidiaries
 Consolidated Statements of Changes in Equity
 For the Six Months Ended June 30, 2021 and 2020
 (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)

Code		Equity Attributable to Owners of the Parent										Non-controlling interests	Total equity		
		Retained Earnings					Unappropriated earnings	(\$ 187,662)	\$ 182,531	\$ 1,042	\$ 4,348,740				
		Capital	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings									
A1	Balance as of January 1, 2020	\$ 2,674,401	\$ 201,627	\$ 626,554	\$ 50,001	\$ 800,246	(\$ 187,662)	\$ 182,531	\$ 1,042	\$ 4,348,740	\$ 7,012	\$ 4,355,752			
	Appropriation and distribution of retained earnings for 2019														
B1	Provision of legal reserve	-	-	18,910	-	(18,910)	-	-	-	-	-	-	-		
B3	Provision of special reserve	-	-	-	(18,090)	18,090	-	-	-	-	-	-	-		
B5	Cash dividends appropriated to shareholders - NT\$0.50 per share	-	-	-	-	(133,720)	-	-	-	-	(133,720)	-	(133,720)		
B17	Reversal of special reserve due to disposal of subsidiaries	-	-	-	(8,499)	8,499	-	-	-	-	-	-	-		
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income by associates	-	-	-	-	(8,573)	-	8,573	-	-	-	-	-		
M5	Acquired part of the equity of subsidiary	-	993	-	-	-	-	-	-	-	993	(7,851)	(6,858)		
L1	Purchase of treasury stock	-	-	-	-	-	-	-	-	(97,768)	(97,768)	-	(97,768)		
D1	Net income for the six months ended June 30, 2020	-	-	-	-	184,506	-	-	-	-	184,506	839	185,345		
D3	Other comprehensive income for the six months ended June 30, 2020 (after-tax)	-	-	-	-	-	(42,648)	(46,790)	(1,042)	-	(90,480)	-	(90,480)		
D5	Total comprehensive income for the six months ended June 30, 2020	-	-	-	-	184,506	(42,648)	(46,790)	(1,042)	-	94,026	839	94,865		
Z1	Balance as of June 30, 2020	<u>\$ 2,674,401</u>	<u>\$ 202,620</u>	<u>\$ 645,464</u>	<u>\$ 23,412</u>	<u>\$ 850,138</u>	(<u>\$ 230,310</u>)	<u>\$ 144,314</u>	<u>\$ -</u>	(<u>\$ 97,768</u>)	<u>\$ 4,212,271</u>	<u>\$ -</u>	<u>\$ 4,212,271</u>		
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		
Q1	Disposal of equity instruments measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	2,384	-	(2,384)	-	-	-	-	-		
D1	Net income for the six months ended June 30, 2021	-	-	-	-	239,249	-	-	-	-	239,249	-	239,249		
D3	Other comprehensive income after tax for the six months ended June 30, 2021	-	-	-	-	-	17,216	76,290	-	-	93,506	-	93,506		
D5	Total comprehensive income for the six months ended June 30, 2021	-	-	-	-	239,249	17,216	76,290	-	-	332,755	-	332,755		
Z1	Balance as of June 30, 2021	<u>\$ 2,574,401</u>	<u>\$ 204,852</u>	<u>\$ 645,464</u>	<u>\$ 23,412</u>	<u>\$ 1,280,421</u>	(<u>\$ 212,302</u>)	<u>\$ 245,158</u>	<u>\$ -</u>	<u>\$ 4,761,406</u>	<u>\$ -</u>	<u>\$ 4,761,406</u>			

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

Chairman: Chang-shiou WU

Manager: Shih-ning TUNG

Accounting Manager: Shu-fen YANG

Chien Kuo Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2021 and 2020
(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing Standards in the
Republic of China)

Code		Unit: NT\$ Thousand	
		January 1 to June 30, 2021	January 1 to June 30, 2020
	Cash flows from operating activities		
A00010	Income before income tax from continuing operations	\$ 337,181	\$ 226,569
A00020	Income before income tax from discontinued operations	-	<u>26,018</u>
A10000	Income before income tax	337,181	252,587
A20010	Adjustments to reconcile income (loss):		
A29900	Net gain on disposal of subsidiaries	(146,821)	(100,818)
A21200	Interest income	(30,852)	(22,428)
A20400	Net (gain) loss on financial assets at fair value through profit or loss	(16,912)	6,901
A20100	Depreciation expense	9,983	13,577
A24100	Foreign exchange gains	(7,325)	(5,269)
A20900	Finance costs	4,900	6,258
A21300	Dividend income	(1,256)	(492)
A20300	Expected credit loss (reversed gain)	437	(20,303)
A22700	Profit and loss on disposal of investment property	(62)	1,838
A20200	Amortization expenses	53	668
A24600	Impairment loss of investment properties	-	2,252
A22300	Shares of profits of associates accounted for using equity method	-	362
A29900	Profit from lease modification	-	(208)
A30000	Changes in operating assets and liabilities, net		
A31125	Contract assets	227,401	(437,449)
A31130	Notes receivable	23,018	(26,119)
A31150	Accounts receivable	(79,850)	209,835
A31180	Other receivables	8,721	(61,283)
A31200	Inventories	-	3,063
A31230	Prepayments	(87,575)	193,361
A31240	Other current assets	(13,415)	(106,457)
A31990	Other non-current assets	(267)	-
A32125	Contract liability	39,493	(95,244)
A32130	Notes payable	5,107	(97,331)
A32150	Accounts payable	(288,316)	281,620
A32230	Other current liabilities	(14,221)	<u>8,276</u>
A33000	Cash outflow generated from operations	(104,437)	(39,636)

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Code		January 1 to June 30, 2021	January 1 to June 30, 2020
A33100	Interest received	\$ 30,377	\$ 26,095
A33300	Interest paid	(4,966)	(6,279)
A33500	Income taxes paid	(64,040)	(18,079)
AAAA	Net cash outflows from operating activities	(143,066)	(37,899)
Cash flows from investment activities			
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	4,623	17,587
B00040	Acquisition of financial assets at amortized cost	(253,256)	-
B00050	Disposal of financial assets at amortized cost	194,297	81,662
B00100	Acquisition of financial assets at fair value through profit or loss	(3,255,507)	(241,140)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	3,852,893	249,582
B02300	Net cash flows from disposal of subsidiaries	876	120,284
B02700	Acquisition of property, plant and equipment	(2,170)	(2,438)
B02800	Proceeds from disposal of property, plant, and equipment	-	19
B03800	Increase in refundable deposits	(117)	(3,831)
B04500	Acquisition of intangible assets	(811)	(528)
B05500	Proceeds from disposal of investment properties	19,221	47,618
B06700	Increase in pledged certificate of deposit	4,024	81,732
B07600	Dividend received	1,256	492
BBBB	Net cash flows from investing activities	565,329	351,039
Cash flows from financing activities:			
C00100	Increase (decrease) in short-term loans	(15,000)	31,537
C00500	Increase in short-term bills payable	-	49,984
C03000	Decrease in guarantee deposits received	(15,767)	(3,724)
C04020	Repayment of lease principal	(6,304)	(6,056)
C04900	Purchase of treasury stock	-	(97,768)
C05400	Acquisition of equity of subsidiaries	-	(6,858)
CCCC	Net cash outflows from financing activities	(37,071)	(32,885)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(28,620)	(42,727)
EEEE	Net increase in cash and cash equivalents	356,572	237,528
E00100	Cash and cash equivalents at beginning of period	2,618,337	2,690,165
E00200	Cash and cash equivalents at end of period	\$ 2,974,909	\$ 2,927,693

(Continued on next page)

(Continued from the previous page)

Reconciliation of cash and cash equivalents at beginning of period

<u>Code</u>		<u>June 30, 2021</u>	<u>June 30, 2020</u>
E00210	Cash and cash equivalents reported in the balance sheet	\$ 2,607,033	\$ 2,602,762
E00240	Cash and cash equivalents included in disposal groups classified as held for sale	<u>11,304</u>	<u>87,403</u>
E00200	Cash and cash equivalents at beginning of period	<u>\$ 2,618,337</u>	<u>\$ 2,690,165</u>

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

Chairman: Chang-shiou WU Manager: Shih-ning TUNG Accounting Manager: Shu-fen YANG

Chien Kuo Construction Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
For the Six Months Ended June 30, 2021 and 2020

(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. (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 published upon approval by the Board of Directors on August 13, 2021.

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) FSC-endorsed IFRSs that are applicable from 2022 onward

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
"Annual Improvements to IFRSs 2018-2020 Cycle"	January 1, 2022 (Note 1)
Amendment to IFRS 3 "References to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendment to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendment to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1. The amendments to IFRS 9 apply to the exchange of financial liabilities or modification of terms incurred in the annual reporting period beginning on and after January 1, 2022; the amendments to IAS 41 "Agriculture" apply to the fair value measurement in the annual reporting period beginning on and after January 1, 2022; the amendments to IFRS 1 "First-time Adoption of IFRSs" retrospectively apply to the annual reporting period beginning on and after January 1, 2022.

Note 2. The amendments apply to business combinations whose acquisition date falls within the annual reporting period beginning on and after January 1, 2022.

Note 3. The amendments apply to plant, property and equipment that meet the locations and conditions required for the management's expected operation on and after January 1, 2021.

Note 4. This amendment shall apply to contracts for which not all obligations have been fulfilled as of January 1, 2022.

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

The amendments provide that in assessing whether a contract is impaired, "cost of fulfilling a contract" should include an incremental cost of fulfilling the contract (e.g., direct labor and raw materials) and an allocation of other costs directly associated with the fulfillment of the contract (e.g., an allocation of depreciation expenses on property, plant and equipment used to fulfill the contract).

The Group will recognize the cumulative effect as retained earnings at the date of the first-time adoption of the amendments.

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.

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

New/Revised/Amended Standards and Interpretations	Effective Date Issued by the 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
Amendment to IAS 1 "Classification of 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. Amendment 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 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, 2020.

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 in Taiwan and its possible impact on the economic environment, and has taken into account the significant accounting estimates related to cash flow estimates, growth rates, discount rates, profitability, etc. The management will continue to review the estimates and basic assumptions. If an amendment of estimates only affects the current period, it shall be recognized in the period of amendment; if an amendment of accounting estimates affects the current year and future periods, it shall be recognized in the period of amendment 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

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand and revolving funds	\$ 2,817	\$ 2,670	\$ 2,806
Bank checks and demand deposits	1,313,832	1,155,328	897,892
Cash equivalents (time deposits with original maturity date within 6 months)	<u>1,658,260</u> <u>\$ 2,974,909</u>	<u>1,449,035</u> <u>\$ 2,607,033</u>	<u>2,026,995</u> <u>\$ 2,927,693</u>

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

June 30, 2021	December 31, 2020	June 30, 2020
0.10%~2.80%	0.40%~3.40%	0.07%~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 Instruments at Fair Value through Profit or Loss

	June 30, 2021	December 31, 2020	June 30, 2020
Mandatorily measured at FVTPL			
<u>Current</u>			
Derivative financial assets			
- Structured note(I)	\$ 278,468	\$ 399,851	\$ -
- Structured deposits	252,367	465,688	111,186
Non-derivative financial assets			
- Domestic listed stocks	189,404	75,770	-
- Foreign listed stocks	115,242	-	-
- Beneficiary certificates	<u>433,685</u>	<u>803,707</u>	<u>-</u>
	<u>1,269,166</u>	<u>1,745,016</u>	<u>111,186</u>
<u>Non-current</u>			
- Domestic unlisted stocks	\$ 10,000	\$ -	\$ -
- Private equity funds	<u>77,405</u>	<u>67,355</u>	<u>66,646</u>
	<u>87,405</u>	<u>67,355</u>	<u>66,646</u>
	<u><u>\$ 1,356,571</u></u>	<u><u>\$ 1,812,371</u></u>	<u><u>\$ 177,832</u></u>
Held for trading			
<u>Current</u>			
Derivative financial liabilities			
- Forward foreign exchange contracts			
(I)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14</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:

June 30, 2021

Subject Securities	Amount (NT\$ Thousands)	Maturity Date	Interest rate	Exercise Price
ADVANCED MICRO DEVICES, INC. (AMD)	USD1,000	October 22, 2021	10%	USD 71.7760
FORD MOTOR COMPANY (FORD)	USD1,000	October 22, 2021	10%	USD 12.7674
FREEPORT-MCMORAN, INC. (FCX)	USD1,000	September 28, 2021	12%	USD 33.8940
FREEPORT-MCMORAN, INC. (FCX)	USD1,000	October 20, 2021	12%	USD 32.0712
SEA LIMITED (SE)	USD1,000	October 22, 2021	10%	USD218.1172
SEA LIMITED (SE)	USD1,000	October 27, 2021	12%	USD225.2796
SQUARE, INC. (SQ)	USD1,000	October 20, 2021	12%	USD173.9298
SQUARE, INC. (SQ)	USD1,000	October 22, 2021	10%	USD175.4798
TESLA, INC. (TSLA)	USD1,000	October 22, 2021	10%	USD453.5858
TESLA, INC. (TSLA)	USD1,000	October 27, 2021	12%	USD420.6256

December 31, 2020

Subject Securities	Amount (NT\$ Thousands)	Maturity Date	Dividend Payout Ratio	Exercise Price
ADOBE INC. (ADBE)	USD1,000	April 9, 2021	10%	USD396.1580
ADVANCED MICRO DEVICES, INC. (AMD)	USD1,000	March 18, 2021	12%	USD 72.7982
SALESFORCE.COM INC (CRM)	USD1,000	February 5, 2021	8%	USD206.2025
NETFLIX, INC. (NFLX)	USD1,000	March 31, 2021	12%	USD456.2408
NETFLIX, INC. (NFLX)	USD1,000	April 9, 2021	10%	USD401.5073
PAYPAL HOLDINGS, INC. (PYPL)	USD1,000	April 9, 2021	10%	USD172.0163
QUALCOMM INCORPORATED (QCOM)	USD1,000	April 9, 2021	10%	USD121.1840
SEA LIMITED (SE)	USD1,000	March 18, 2021	10%	USD146.5504
SHOPIFY INC (SHOP)	USD1,000	March 18, 2021	10%	USD841.6549
ISHARES SILVER TRUST (SLV)	USD1,000	March 3, 2021	8%	USD 18.9654
SQUARE, INC. (SQ)	USD1,000	March 18, 2021	12%	USD173.1476
TESLA, INC. (TSLA)	USD1,000	April 9, 2021	10%	USD341.2078
TESLA, INC. (TSLA)	USD1,000	March 18, 2021	10%	USD390.5603
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD (TSM)	USD1,000	March 18, 2021	10%	USD 87.1565

(II) On the balance sheet date, outstanding foreign exchange forward contracts not under hedge accounting are as follows:

	Currency	Maturity Period	Contract Amount
Forward Exchange Purchased	RMB/USD	July 6, 2020	RMB60,000/ USD8,484

VIII. Financial Assets at Fair Value through Other Comprehensive Income

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Investment in equity instruments</u>			
Domestic listed stocks			
Current	\$ 24,965	\$ 24,569	\$ 22,763
Non-current	469,250	398,003	373,015
	<u>\$ 494,215</u>	<u>\$ 422,572</u>	<u>\$ 395,778</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 XXX.

IX. Financial Assets at Amortized Cost

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
<u>Current</u>			
Time deposits with original maturity date over six months	\$ 195,000	\$ -	\$ -
Restricted bank deposits (1)	95,098	63,364	-
Restricted bank term deposits (1)	21,585	199,360	-
Restricted bills with repurchase agreement (1)	40,017	30,017	-
Pledged certificate of deposit	<u>\$ 351,700</u>	<u>\$ 292,741</u>	<u>\$ 59,260</u>
<u>Non-current</u>			
Pledged certificate of deposit	\$ 1,672	\$ 5,696	\$ 5,926

(I) 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>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Time deposits with original maturity date over six months	0.23%	-	-
Restricted bank term deposits	0.20%~ 0.25%	0.35%	-
Restricted bills with repurchase agreement	0.15%~ 0.16%	0.17%	-
Pledged certificate of deposit	0.12%	0.50%	1.05%~ 1.50%

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

X. Notes Receivable and Accounts Receivable

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Notes receivable	<u>\$ 65,735</u>	<u>\$ 89,256</u>	<u>\$ 216,719</u>
<u>Accounts receivable</u>			
Measured at amortized cost			
Total carrying amount	\$ 739,306	\$ 659,220	\$ 1,856,387
Less: Allowance losses	(73,519)	(74,839)	(80,840)
	<u>\$ 665,787</u>	<u>\$ 584,381</u>	<u>\$ 1,775,547</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 Group recognizes allowance losses for accounts receivable as lifetime ECL for the duration of contract. The lifetime ECL for the duration of contract is determined by reference to the past default records and the current financial position of different groups of customers, as well as by taking into consideration the projected GDP and related indicators of such industries.

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:

	June 30, 2021	December 31, 2020	June 30, 2020
Not overdue	\$ 65,735	\$ 89,256	\$ 216,719

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

	June 30, 2021	December 31, 2020	June 30, 2020
Not overdue	\$ 621,050	\$ 518,103	\$ 1,465,553
Less than 180 days	55,082	64,019	214,718
181~360 days	14,612	16,134	86,505
More than 361 days	48,562	60,964	89,611
Total	\$ 739,306	\$ 659,220	\$ 1,856,387

Changes in allowance losses for accounts receivable are as follows:

	January 1 to June 30, 2021	January 1 to June 30, 2020
Beginning balance	\$ 74,839	\$ 103,207
Add: Provision (reversed) of impairment loss for the period	437 (20,303)	-
Less: Write-off for the period	(976)	
Exchange difference	(781) (2,064)	
Ending balance	\$ 73,519	\$ 80,840

XI. Inventories (for construction business)

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Xinzhi Section, Xinzhuang District	<u>\$ 465,926</u>	<u>\$ 465,926</u>	<u>\$ 463,577</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 XVII and XXX.

XII. Prepayments

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Prepayments for construction contracts	\$ 123,895	\$ 37,210	\$ 60,197
Tax overpaid retained	9,263	7,926	24,968
Prepaid insurance	3,285	4,122	4,614
Prepayments for purchases	16	-	125,168
Others	4,716	4,333	4,149
	<u>\$ 141,175</u>	<u>\$ 53,591</u>	<u>\$ 219,096</u>

XIII. Subsidiaries

(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
			June 30, 2021	December 31, 2020	June 30, 2020	
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%	Please refer to Note XXV.
	Chien Kuo Building Co., Ltd. (Chien Kuo Building)	Building construction commission; public housing lease and sale	100%	100%	100%	
	Anping Property Co., Ltd. (Anping Property)	Housing and building development and lease	-	-	100%	
	Golden Canyon Venture Capital Investment Co., Ltd. (Golden Canyon Venture Capital)	Venture capital	100%	100%	-	
	Golden Canyon II Venture Capital Investment Co., Ltd. (Golden Canyon Venture Capital II)	Venture capital	100%	-	-	
Subsidiaries of Golden Canyon and Silver Shadow	Chien Kuo Construction Consultant (Kunshan) Co., Ltd. (Chien Kuo Construction Consultant)	Engineering technology; procurement planning; installation consultation	-	-	-	(Note 4)
	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%	

Name of Investor	Subsidiary Company Name	Business Activities	Shareholding Percentage			Explanation
			June 30, 2021	December 31, 2020	June 30, 2020	
	Yangzhou Chien Yung Concrete Co., Ltd. (Yangzhou Chien Yung)	Production and sale of concrete and concrete products	100%	100%	100%	
	Suzhou Chien Hua Concrete Co., Ltd. (Suzhou Chien Hua)	Production and sale of concrete and concrete products	-	-	-	Please refer to Note XXIV.
	Wuxi Chien Bang Concrete Co., Ltd. (Wuxi Chien Bang)	Production and sale of concrete and concrete products	-	100%	100%	Please refer to Note XXIV.
	Chien Ya (Yangzhou) Technology Consultant Co., Ltd. (Chien Ya Yangzhou)	Computer software technology development and consultation	100%	100%	100%	
	Chien Ya (Suzhou) Information Technology Consultant Co., Ltd. (Chien Ya Suzhou)	Computer software technology development and consultation	100%	100%	100%	
	Chien Ya (Wuxi) Information Technology Consultant Co., Ltd. (Chien Ya Wuxi)	Computer software technology development and consultation	100%	100%	100%	

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

- (1) Anping Property Co., Ltd. was liquidated in December 2020.
- (2) Golden Canyon Venture Capital was established on August 17, 2020 as a wholly-owned subsidiary of the Company.
- (3) Golden Canyon Venture Capital II was established on June 3, 2021 as a wholly-owned subsidiary of the Company.
- (4) The liquidation of Chien Kuo Construction Consultant was completed on May 20, 2020.

(II) Subsidiaries not included in the consolidated financial statements: None.

XIV. Non-current Assets Held for Sale and Disposal Group Held for Sale

(I) Discontinued operations

On August 12, 2020, the Group entered into a contract to dispose of Wuxi Chien Bang, a subsidiary responsible for concrete business of the Group. No impairment loss was recognized in respect of the subsidiary classified as held for sale because the selling price exceeded the carrying amount of the related net assets. The transaction was completed in February 2021 (please refer to Note XXIV). The disposal of the subsidiary in charge of concrete business is consistent with the Group's long-term business strategy focusing on construction business. As the subsidiary meets the definition of a discontinued operation, it is expressed as a discontinued operation, and the related profit or loss from January 1 to June 30, 2020 is reclassified as discontinued operation profit or loss.

Information on the profit or loss and cash flows of the discontinued operation is as follows:

	April 1 to June 30, 2020	January 1 to June 30, 2020
Sales revenue	\$ 252,049	\$ 383,419
Cost of sales	(230,845)	(347,018)
Gross profit	21,204	36,401
Selling expenses	(10,292)	(11,693)
Administrative expenses	(1,717)	(2,541)
Net operating income	9,195	22,167
Other income	1,038	2,377
Other gains and losses	1,621	2,418
Finance costs	(460)	(944)
Income before income tax	11,394	26,018
Income tax expense	(1,478)	(2,310)
Profit from discontinued operations	<u>\$ 9,916</u>	<u>\$ 23,708</u>
Profit from discontinued operations are attributable to		
Owners of the parent	\$ 9,916	\$ 23,708
Non-controlling interests	<u>\$ 9,916</u>	<u>\$ 23,708</u>
Cash flows		
Operating activities	\$ 235,549	\$ 733,681
Investing activities	62,322	(67,209)
Financing activities	(41,464)	(41,464)
Net cash flows	<u>\$ 256,407</u>	<u>\$ 625,008</u>

(II) Non-current assets held for sale

The board of directors of the Group resolved on July 30, 2020 to sell all of the equity of Wuxi Chien Bang to Wuxi Dekai New Material Technology Co., Ltd. As of December 31, 2020, the transfer payment of NT\$531,083 thousand (RMB 121,674 thousand) was received in advance and the equity was disposed of on February 5, 2021. For related information, please refer to Note XXIV.

Assets and liabilities classified in the held-for-sale disposal group are as follows:

	December 31, 2020
Cash	\$ 11,304
Notes receivable	16,923
Accounts receivable	223,095
Other receivables	11,054
Inventories	7,784
Prepayments	909
Other current assets	394
Property, plant, and equipment	78,098
Right-of-use assets	4,393
Total non-current assets held for sale	<u>\$ 353,954</u>
Accounts payable	\$ 9,693
Other payables	10,196
Contract liability	9,338
Other current liabilities	<u>1,047</u>
Liabilities directly associated with non-current assets held for sale	<u>\$ 30,274</u>
Equity directly associated with non-current assets held for sale	(\$ 83,092)

XV. Lease Agreement

(I) Right-of-use assets

	June 30, 2021	December 31, 2020	June 30, 2020
Carrying amount of right-of-use assets			
Land	\$ -	\$ -	\$ 10,308
Buildings	25,807	23,543	27,423
Transportation equipment	<u>3,710</u>	<u>1,506</u>	<u>2,480</u>
	<u>\$ 29,517</u>	<u>\$ 25,049</u>	<u>\$ 40,211</u>
Additions to right-of-use assets	<u>April 1 to June 30, 2021</u>	<u>April 1 to June 30, 2020</u>	<u>January 1 to June 30, 2021</u>
	<u>\$ 8,818</u>	<u>\$ -</u>	<u>\$ 10,809</u>
	<u>\$ 8,818</u>	<u>\$ -</u>	<u>\$ 12,532</u>
Depreciation expense of right-of-use assets			
Land	\$ -	\$ 80	\$ -
Buildings	3,194	2,332	5,527
Transportation equipment	<u>411</u>	<u>487</u>	<u>817</u>
	<u>\$ 3,605</u>	<u>\$ 2,899</u>	<u>\$ 6,344</u>
	<u>\$ 3,605</u>	<u>\$ 2,899</u>	<u>\$ 6,327</u>

Other than the increase and recognition of depreciation expenses above, the Group's right-of-use assets did not undergo significant sublease and impairment for the six-month periods ended June 30, 2021 and 2020.

For the amount of the right-of-use asset set as a secured loan by the Group, please refer to Note XXX.

(II) Lease liabilities

	June 30, 2021	December 31, 2020	June 30, 2020
Carrying amount of lease liabilities			
Current (listed as other current liabilities)	\$ 13,793	\$ 9,408	\$ 9,677
Non-current (listed as other non-current liabilities)	\$ 16,078	\$ 15,955	\$ 20,490

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

	June 30, 2021	December 31, 2020	June 30, 2020
Land	-	-	1.65%
Buildings	1.65%~4.57%	1.65%	1.65%
Transportation equipment	3.00%	3.00%	3.00%

(III) Other lease information

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Short-term lease expense	\$ 1,784	\$ 1,589	\$ 4,000	\$ 2,687
Total cash outflow on lease	\$ 5,357	\$ 4,366	\$ 10,304	\$ 8,743

XVI. Investment Property

	June 30, 2021	December 31, 2020	June 30, 2020
Land	\$ 88,266	\$ 104,327	\$ 104,327
Buildings	14,070	16,585	17,085
Parking space	648	1,731	1,750
	\$ 102,984	\$ 122,643	\$ 123,162
Fair Value	\$ 132,941	\$ 152,426	\$ 146,321

Depreciation expenses of investment property are provided using the straight-line method over 3~50 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 XXX.

XVII. Loans

(I) Short-term loans

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured loans			
Credit line loans	\$ -	\$ 15,000	\$ 85,000
Annual interest rate (%) (Effective interest rate)	-	1.45%	0.90%~1.45%

(II) Short-term notes and bills payable

June 30, 2020

Guarantor/ Accepting Institution	Nominal Amount	Discounted Amount	Carrying Amount	Effective Interest Rate Interval	Collateral
<u>Commercial papers payable</u>					
Mega Bills	<u>\$ 50,000</u>	<u>(\$ 16)</u>	<u>\$ 49,984</u>	0.9%	None

(III) Long-term loans

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Secured loans (Note XXX)</u>			
Bank loans (1)	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 350,000</u>
<u>Unsecured loans</u>			
Long-term commercial paper payables (2)	600,000	600,000	600,000
Less: Discount on long- term commercial papers payable	(752) 599,248	(858) 599,142	(941) 599,059
Less: Current portion	(599,248)	(449,292)	(149,746)
Subtotal	-	149,850	449,313
Long-term loans	<u>\$ 350,000</u>	<u>\$ 499,850</u>	<u>\$ 799,313</u>
Annual interest rate (%) (Effective interest rate)	1.35%~1.68%	1.35%~1.68%	1.39%~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:

June 30, 2021

Guarantor/ Accepting Institution	Nominal Amount	Discounted Amount	Carrying Amount	Effective Interest Rate Interval	Collateral
Entie Commercial Bank	\$ 150,000	(\$ 237)	\$ 149,763	1.678%	None
KGI Commercial Bank	150,000	(230)	149,770	1.448%	None
Mega International Commercial Bank	150,000	(145)	149,855	1.349%	None
Hua Nan Commercial Bank	<u>150,000</u>	<u>(140)</u>	<u>149,860</u>	<u>1.548%</u>	<u>None</u>
	<u><u>\$ 600,000</u></u>	<u><u>(\$ 752)</u></u>	<u><u>\$ 599,248</u></u>		

December 31, 2020

Guarantor/ Accepting Institution	Nominal Amount	Discounted Amount	Carrying Amount	Effective Interest Rate Interval	Collateral
Shanghai Commercial and Savings Bank	\$ 300,000	(\$ 466)	\$ 299,534	1.648%	None
Entie Commercial Bank	150,000	(242)	149,758	1.678%	None
Mega International Commercial Bank	<u>150,000</u>	<u>(150)</u>	<u>149,850</u>	<u>1.360%</u>	<u>None</u>
	<u><u>\$ 600,000</u></u>	<u><u>(\$ 858)</u></u>	<u><u>\$ 599,142</u></u>		

June 30, 2020

Guarantor/ Accepting Institution	Nominal Amount	Discounted Amount	Carrying Amount	Effective Interest Rate Interval	Collateral
Shanghai Commercial and Savings Bank	\$ 300,000	(\$ 507)	\$ 299,493	1.648%	None
Entie Commercial Bank	150,000	(262)	149,738	1.678%	None
Mega International Commercial Bank	<u>150,000</u>	<u>(172)</u>	<u>149,828</u>	<u>1.389%</u>	<u>None</u>
	<u><u>\$ 600,000</u></u>	<u><u>(\$ 941)</u></u>	<u><u>\$ 599,059</u></u>		

XVIII. 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.

XIX. Equity

(I) Capital

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</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>267,440</u>
Issued capital	<u>\$ 2,574,401</u>	<u>\$ 2,574,401</u>	<u>\$ 2,674,401</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.

To maintain the Company's credit and shareholder equity, the Board resolved on March 27, 2020 to repurchase the treasury stock and set the record date for capital reduction on August 14, 2020. The paid-in capital is 257,440 thousand shares after the retirement of 10,000 thousand shares of treasury stock.

(II) Additional paid-in capital

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</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	\$ 197,435
Treasury stock transactions	13,528	13,528	3,914
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>\$ 204,852</u>	<u>205</u> <u>\$ 204,852</u>	<u>205</u> <u>\$ 202,620</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 XXI (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 25, 2021 and will hold the regular shareholders' meeting on June 23, 2020, and respectively propose and resolve the 2020 and 2019 earnings distribution proposals as follows:

	Proposal of Earnings Appropriation		Dividends per Share (NT\$)	
	2020	2019	2019	2018
Legal reserve	\$ 37,308	\$ 18,910		
Appropriation (reversal) of special reserve	34,854	(18,090)		
Cash dividends	205,952	133,720	\$ 0.80	\$ 0.50

In response to the announcement of the Financial Supervisory Commission on "Measures for public companies to postpone shareholders' meetings for pandemic prevention", the Group ceased to hold the original shareholders' meeting. The 2020 earnings appropriation was resolved at the shareholders' meeting held on July 22, 2021.

(IV) Treasury stock

Accounting subject	Repurchase for Cancellation (In 1,000 Shares)
Number of shares as of January 1, 2020	-
Increase	10,000
Number of shares as of June 30, 2020	<u>10,000</u>

Treasury stocks held by the Company may not be pledged nor assigned rights such as dividend appropriation and voting rights in accordance with the Securities and Exchange Act.

XX. Revenue

(I) Revenue from contracts with customers

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Revenue from construction contracts	\$ 1,435,525	\$ 1,861,756	\$ 2,627,728	\$ 3,246,676
Others	<u>112</u>	<u>90</u>	<u>157</u>	<u>180</u>
	<u><u>\$ 1,435,637</u></u>	<u><u>\$ 1,861,846</u></u>	<u><u>\$ 2,627,885</u></u>	<u><u>\$ 3,246,856</u></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

	June 30, 2021		December 31, 2020		June 30, 2020	
	Construction Segment	Discontinued Segment	Construction Segment	Discontinued Segment	Construction Segment	Discontinued Segment
Accounts receivable (Note X)	\$ 609,070	\$ 56,717	\$ 401,058	\$ 183,323	\$ 747,755	\$ 1,027,792
Contract assets						
Real estate construction	\$ 562,452	\$ -	\$ 819,682	\$ -	\$ 1,033,128	\$ -
Construction retainage receivable	<u>796,518</u>	<u>-</u>	<u>766,689</u>	<u>-</u>	<u>703,201</u>	<u>-</u>
	<u><u>\$ 1,358,970</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,586,371</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,736,329</u></u>	<u><u>\$ -</u></u>
Contract liability						
Real estate construction	\$ 133,494	\$ -	\$ 93,909	\$ -	\$ 164,727	\$ -
Receipts in advance	<u>-</u>	<u>-</u>	<u>\$ 93,909</u>	<u>-</u>	<u>\$ 164,727</u>	<u>\$ 965</u>
	<u><u>\$ 133,494</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 93,909</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 164,727</u></u>	<u><u>\$ 965</u></u>

(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 Group as of June 30, 2021 are as follows:

<u>Anticipated years to recognize revenue</u>	<u>June 30, 2021</u>
2021~2025	<u>\$ 10,534,967</u>

XXI. Net Income from Continuing Operations

(I) Other income

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Interest income	\$ 15,479	\$ 10,428	\$ 30,852	\$ 22,428
Dividend income	988	492	1,256	492
Others	480	555	1,021	6,151
Less: Discontinued operations	<u>-</u>	<u>(1,038)</u>	<u>-</u>	<u>(2,377)</u>
	<u>\$ 16,947</u>	<u>\$ 10,437</u>	<u>\$ 33,129</u>	<u>\$ 26,694</u>

(II) Other gains and losses

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Gain from disposal of subsidiaries, net (Note XXIV)	\$ -	\$ -	\$ 146,821	\$ 100,818
Gain (loss) on valuation of financial instrument at fair value through profit or loss	18,222	5,235	16,912	(3,178)
Gain (loss) on foreign currency exchange	6,751	(4,153)	248	(6,040)
Gain (loss) on disposal of investment properties	- (407)	- (407)	62 (1,838)	(1,838)
Impairment loss on investment properties	- (3,264)	- (2,166)	- (3,127)	(2,252) (2,275)
Others	<u>(3,264)</u>	<u>(2,166)</u>	<u>(3,127)</u>	<u>(2,252) (2,275)</u>
Less: Discontinued operations	<u>-</u>	<u>(1,621)</u>	<u>-</u>	<u>(2,418)</u>
	<u>\$ 21,709</u>	<u>(\$ 3,112)</u>	<u>\$ 160,916</u>	<u>\$ 82,817</u>

(III) Finance costs

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Interest expenses				
Interest on bank loans	\$ 2,300	\$ 2,719	\$ 4,645	\$ 5,937
Interest on lease liabilities	154	137	255	321
Less: Discontinued operations	<u>-</u>	<u>(460)</u>	<u>-</u>	<u>(944)</u>
	<u>\$ 2,454</u>	<u>(\$ 2,396)</u>	<u>\$ 4,900</u>	<u>\$ 5,314</u>

(IV) Depreciation and amortization expenses

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Property, plant, and equipment	\$ 1,603	\$ 3,323	\$ 3,139	\$ 6,693
Right-of-use assets	3,605	2,899	6,344	6,327
Investment property	248	259	500	557
Intangible assets	26	334	53	668
Total	\$ 5,482	\$ 6,815	\$ 10,036	\$ 14,245
Depreciation expenses by function				
Operating cost	\$ 581	\$ 444	\$ 1,103	\$ 875
Operating expenses	4,636	3,855	8,399	8,251
Other gains and losses	239	249	481	538
Discontinued operations	<u>-</u>	<u>1,933</u>	<u>-</u>	<u>3,913</u>
	\$ 5,456	\$ 6,481	\$ 9,983	\$ 13,577
Amortization expenses by function				
Operating expenses	<u>26</u>	<u>334</u>	<u>53</u>	<u>668</u>

(V) Employee benefits expenses

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Short-term employee benefits	\$ 126,321	\$ 129,316	\$ 253,944	\$ 237,530
Post-employment benefits				
Defined contribution plans	4,587	4,339	9,349	9,422
Defined benefit plans	172	171	345	340
Termination benefits	<u>582</u>	<u>30</u>	<u>672</u>	<u>96</u>
	\$ 131,662	\$ 133,856	\$ 264,310	\$ 247,388
By function				
Operating cost	\$ 73,746	\$ 68,972	\$ 146,780	\$ 128,891
Operating expenses	57,916	41,180	117,530	86,707
Discontinued operations	<u>-</u>	<u>23,704</u>	<u>-</u>	<u>31,790</u>
	\$ 131,662	\$ 133,856	\$ 264,310	\$ 247,388

(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. Remuneration to employees and remuneration to directors for the three-month periods and six-month periods ended June 30, 2021 and 2020 are as follows:

	April 1 to June 30, 2021		April 1 to June 30, 2020	
	Amount	Percentage	Amount	Percentage
		(%)		(%)
Employee remuneration	\$ 4,135	3%	\$ 2,664	3%
Director remuneration	\$ 4,135	3%	\$ 2,686	3%

	January 1 to June 30, 2021		January 1 to June 30, 2020	
	Amount	Percentage	Amount	Percentage
		(%)		(%)
Employee remuneration	\$ 9,327	3%	\$ 7,244	3%
Director remuneration	\$ 9,327	3%	\$ 7,244	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.

Remuneration to employees and remuneration to directors for 2020 and 2019 were resolved by the Board of Directors on March 25, 2021 and March 27, 2020 respectively.

	2020		2019	
	Cash	Percentage	Cash	Percentage
		(%)		(%)
Employee remuneration	\$ 13,686	3%	\$ 7,799	3%
Director remuneration	\$ 13,686	3%	\$ 7,799	3%
	\$ 27,372		\$ 15,598	

The amounts of the employee remuneration and director remuneration distributed for the years ended December 31, 2020 and 2019 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.

XXII. Income Tax

(I) Income tax recognized in profit or loss

Major components of income tax expenses are as follows:

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Current period income tax				
Arise from current period	\$ 13,563	\$ 21,542	\$ 64,613	\$ 52,309
Additional tax on unappropriated earnings	-	2,728	-	2,728
Adjustments for previous years	<u>13,563</u>	<u>24,270</u>	<u>64,613</u>	<u>55,057</u>
Deferred income tax				
Income tax expenses recognized in the current period	16,572	(2,943)	33,319	12,185
Less: Income tax from discontinued operations	<u>-</u>	<u>(1,478)</u>	<u>-</u>	<u>(2,310)</u>
Income tax expenses recognized in profit or loss	<u>\$ 30,135</u>	<u>\$ 19,849</u>	<u>\$ 97,932</u>	<u>\$ 64,932</u>

(II) Income tax recognized in other comprehensive income

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Deferred income tax				
Income tax expenses recognized in the current period				
- Exchange differences on translation of foreign operations	<u>(\$ 11,927)</u>	<u>(\$ 16,230)</u>	<u>\$ 4,304</u>	<u>(\$ 10,663)</u>

(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	2018
Chien Kuo Building Co., Ltd.	2019
Shun Long International Electrical Engineering Co., Ltd.	2019

XXIII. Earnings Per Share

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020	Unit: NT\$
Basic earnings per share					
From continuing operations	\$ 0.39	\$ 0.21	\$ 0.93	\$ 0.61	
From discontinued operations	-	0.04	-	0.09	
Total basic earnings per share	<u>\$ 0.39</u>	<u>\$ 0.25</u>	<u>\$ 0.93</u>	<u>\$ 0.70</u>	
Diluted earnings per share					
From continuing operations	\$ 0.39	\$ 0.21	\$ 0.93	\$ 0.61	
From discontinued operations	-	0.04	-	0.09	
Total diluted earnings per share	<u>\$ 0.39</u>	<u>\$ 0.25</u>	<u>\$ 0.93</u>	<u>\$ 0.70</u>	

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

Net income

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Net income attributable to owners of the Company	\$ 100,841	\$ 64,598	\$ 239,249	\$ 184,506
Less: Net income from discontinued operations used for calculation of basic earnings per share of discontinued operations	-	(9,916)	-	(23,708)
Net income from continuing operations used for calculation of basic/diluted earnings per share of continuing operations	<u>100,841</u>	<u>54,682</u>	<u>239,249</u>	<u>160,798</u>

Shares

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020	Unit: In thousand shares
Weighted average number of shares of common stock used for the calculation of basic earnings per share	257,440	260,156	257,440	263,799	
Effect of potentially dilutive shares of common stocks:					
Employee remuneration	<u>632</u>	<u>743</u>	<u>1,071</u>	<u>1,225</u>	
Weighted average number of shares of common stock used for the calculation of diluted earnings per share	<u>258,072</u>	<u>260,899</u>	<u>258,511</u>	<u>265,024</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.

XXIV. Disposal of Subsidiaries

The Group completed the disposal of all equity interests in Wuxi Chien Bang and Suzhou Chien Hua on February 5, 2021 and February 11, 2020, respectively. The disposal proceeds of Wuxi Chien Bang and Suzhou Chien Hua were NT\$543,122 thousand (RMB126,000 thousand) and NT\$260,783 thousand (RMB60,620 thousand), respectively.

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

	Wuxi Chien Bang	Suzhou Chien Hua
Current assets		
Cash and cash equivalents	\$ 11,163	\$ 14,116
Notes and accounts receivables	237,030	140,520
Other receivables	10,917	61,016
Inventories	7,687	11,836
Prepayments	898	2,248
Other current assets	389	-
Non-current assets		
Property, plant, and equipment	77,126	53,377
Right-of-use assets	4,339	4,534
Current liabilities		
Notes payable	-	(11,304)
Accounts payable	(9,572)	-
Other payables	(10,069)	(146,632)
Contract liability	(9,222)	-
Other current liabilities	(1,034)	-
Net assets disposed of	<u>\$ 319,652</u>	<u>\$ 129,711</u>

(II) Gains (losses) on disposal of subsidiaries

	Wuxi Chien Bang	Suzhou Chien Hua
Consideration received	\$ 543,122	\$ 260,783
Net assets disposed of	(319,652)	(129,711)
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	(76,649)	(30,254)
Profit on Disposal	<u>\$ 146,821</u>	<u>\$ 100,818</u>

(III) Net cash inflow on disposal of subsidiaries

	Wuxi Chien Bang	Suzhou Chien Hua
Consideration received in the form of cash and cash equivalents	\$ 543,122	\$ 260,783
Less: Receipts in advance - beginning of year	(531,083)	(126,383)
Less: Balance of cash and cash equivalents disposed of	(11,163)	(14,116)
	<u>\$ 876</u>	<u>\$ 120,284</u>

XXV. Equity Transactions with Non-controlling Interests

On March 12, 2020, the Group acquired 13.39% of Shun Long's equity from the Company's employees and chairman. The shareholding ratio thus increased from 86.61% to 100%.

As the above-mentioned transactions did not change the Group's control over such subsidiary, the Group treated the transactions as equity transactions.

	Shun Long
Cash consideration paid	\$ 6,858
Carrying amount of the subsidiary's net assets that should be transferred out of non-controlling interest with calculations based on changes in equity	(7,851)
Difference in equity transactions	(\$ 993)

Adjustment account for difference in equity transactions

Additional paid-in capital - difference between the share price and carrying amount of the acquired shares of the subsidiary	\$ 993
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The aforementioned cash consideration of NT\$6,858 thousand was paid in full on April 6, 2020.

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

The Group purchased and disposed of financial assets measured at fair value through profit and loss that the combined company purchased and disposed of for NT\$18,978 thousand and NT\$10,118 thousand, respectively, from January 1 to June 30, 2021, and are recognized as other payables and other receivables, respectively, due to settlement-date lag.

XXVII. 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 Company may adjust dividends paid to shareholders, refund capital to shareholders or issue new shares to lower its debts.

XXVIII. 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

June 30, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Structured notes	\$ -	\$ 278,468	\$ -	\$ 278,468
Domestically listed stocks	189,404	-	-	189,404
Domestically unlisted stocks	-	-	10,000	10,000
Foreign listed stocks	115,242	-	-	115,242
Fund beneficiary certificates	433,685	-	-	433,685
Structured deposits	-	252,367	-	252,367
Private equity funds	-	-	77,405	77,405
Total	<u>\$ 738,331</u>	<u>\$ 530,835</u>	<u>\$ 87,405</u>	<u>\$ 1,356,571</u>
<u>Financial assets measured at FVTOCI</u>				
Domestic listed stocks	<u>\$ 494,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 494,215</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Structured notes	\$ -	\$ 399,851	\$ -	\$ 399,851
Domestic listed stocks	75,770	-	-	75,770
Fund beneficiary certificates	803,707	-	-	803,707
Structured deposits	-	465,688	-	465,688
Private equity funds	-	-	67,355	67,355
Total	<u>\$ 879,477</u>	<u>\$ 865,539</u>	<u>\$ 67,355</u>	<u>\$ 1,812,371</u>
<u>Financial assets measured at FVTOCI</u>				
Domestic listed stocks	<u>\$ 422,572</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,572</u>

June 30, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Private equity funds	\$ -	\$ -	\$ 66,646	\$ 66,646
Structured deposits	-	111,186	-	111,186
Total	<u>\$ -</u>	<u>\$ 111,186</u>	<u>\$ 66,646</u>	<u>\$ 177,832</u>
<u>Financial assets measured at FVTOCI</u>				
Domestic and foreign listed stocks	<u>\$ 395,778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395,778</u>
<u>Financial liabilities at FVTPL</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 14</u>

There was no transfer between Level 1 and Level 2 fair value measurement for the six months ended June 30, 2021 and 2020.

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.
Forward exchange contracts	Discounted cash flow: Future cash flows are estimated based on end-of-period observable forward exchanges and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Structured deposits	The fair values of structured deposits are measured at the rates of return derived from the structure of deposit principals and derivatives.

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 unobservable inputs applied by the Group were a 10% discount for lack of liquidity and a 10% discount for minority interest on June 30, 2021, December 31, 2020 and June 30, 2020. When other inputs are held constant, a 1% discount would decrease the fair value by NT\$1,861 thousand, NT\$1,639 thousand and NT\$731 thousand, respectively.

(III) Types of financial instruments

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Financial assets</u>			
Measured at FVTPL			
Mandatorily measured at FVTPL			
\$ 1,356,571	\$ 1,812,371	\$ 177,832	
Financial assets at amortized cost (Note 1)	4,074,953	3,734,212	4,996,245
Financial assets measured at FVTOCI			
Investment in equity instruments	494,215	422,572	395,778
<u>Financial liabilities</u>			
Measured at FVTPL			
Held for trading	-	-	14
Measured at amortized cost (Note 2)	2,666,125	3,027,190	3,278,243

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

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

Sensitivity analysis

The Group is mainly exposed to RMB and USD 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 June 30, 2021	January 1 to June 30, 2020
RMB	\$ 6,924	\$ 339
USD	217	-

Hedge accounting

In order to reduce the cash flow risk exposure to proceeds derived from disposal of subsidiaries, the Group entered into forward exchange contracts to hedge against the exchange rate risk of the foreign currency firm

commitment. The Group assesses the hedge effectiveness by comparing the fair value changes of the forward exchange contracts and the changes in virtual derivatives.

The hedge ineffectiveness of the hedging relationship is mainly from the impact of the credit risk of the Group and the counter-party on the fair value of the forward exchange contracts. Such credit risk does not affect the fair value change of the hedged item caused by exchange rate changes, nor does it affect the timing of occurrence of the anticipated transactions being hedged. There are no other sources of hedge ineffectiveness during the hedging period. Details of the exchange rate risk of the Group are as follows:

For the above forward exchange contract designated as hedging instrument for cash flow hedge, a hedging profit of NT\$1,042 thousand was recognized in other comprehensive income from January 1 to June 30, 2020.

(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. 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:

	June 30, 2021	December 31, 2020	June 30, 2020
With fair value interest rate risk			
- Financial assets	\$ 1,916,534	\$ 1,684,108	\$ 2,092,181
- Financial liabilities	479,264	489,655	584,382
With cash flow interest rate risk			
- Financial assets	1,408,930	1,218,692	897,892
- Financial liabilities	499,855	499,850	529,828

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\$4,545 thousand and NT\$1,840 thousand for the six months ended June 30, 2021 and 2020, respectively.

(3) Other price risks

Investments in beneficiary certificates and domestic and foreign equity instruments expose the Group to the equity price risk. The Group diversifies its investment portfolio to manage the price risk of investments in equity instruments.

Sensitivity analysis

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

If the equity price increased/decreased by 10%, income/loss before tax from January 1 to June 30, 2021 and 2020 would have increased/decreased by NT\$82,574 thousand or NT\$6,665 thousand, respectively, due to a change in the fair value of financial assets at fair value through profit or loss.

If the equity price increased/decreased by 10%, other comprehensive income/loss before tax from January 1 to June 30, 2021 and 2020 would have increased/decreased by NT\$49,422 thousand or NT\$39,578 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.

June 30, 2021

	Less than 1 Year	1~2 Year(s)	2~5 Years
Non-interest-bearing liabilities	\$ 1,685,084	\$ 21,281	\$ 10,512
Lease liabilities	14,234	12,343	3,935
Fixed-rate instruments	449,393	-	-
Floating interest rate instruments	149,855	350,000	-
	<u>\$ 2,298,566</u>	<u>\$ 383,624</u>	<u>\$ 14,447</u>

December 31, 2020

	Less than 1 Year	1~2 Year(s)	2~5 Years
Non-interest-bearing liabilities	\$ 1,985,801	\$ 60,271	\$ 16,976
Lease liabilities	10,557	9,628	5,724
Fixed-rate instruments	464,292	-	-
Floating interest rate instruments	-	499,850	-
	<u>\$ 2,460,650</u>	<u>\$ 569,749</u>	<u>\$ 22,700</u>

June 30, 2020

	Less than 1 Year	1~2 Year(s)	2~5 Years
Non-interest-bearing liabilities	\$ 1,938,658	\$ 248,796	\$ 6,746
Lease liabilities	11,261	10,887	15,525
Fixed-rate instruments	254,730	299,485	-
Floating interest rate instruments	30,000	499,828	-
	<u>\$ 2,234,649</u>	<u>\$ 1,058,996</u>	<u>\$ 22,271</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

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured bank loan facilities			
- Amount used	\$ 600,000	\$ 615,000	\$ 735,000
- Amount unused	<u>1,339,097</u>	<u>1,651,429</u>	<u>1,541,429</u>
	<u><u>\$ 1,939,097</u></u>	<u><u>\$ 2,266,429</u></u>	<u><u>\$ 2,276,429</u></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><u>\$ 450,000</u></u>	<u><u>\$ 450,000</u></u>	<u><u>\$ 450,000</u></u>

(V) Transfer of financial assets

The Group has transferred with endorsement a part of its banker's accepted draft receivable in Mainland China to suppliers for the purpose of paying off its accounts payables. Since the risks and returns of such bank acceptance drafts have been substantially transferred, the Group has derecognized the banker's acceptance drafts receivable and the corresponding accounts payables. However, if such derecognized drafts fail to be accepted by banks when due, the suppliers are entitled to demand for a settlement to be made by the Group. Therefore, the Group still has continuing involvement in such drafts.

The maximum risk exposure of the Group's continuing involvement in the above-derecognized drafts is their face amount, which totaled NT\$62,291 thousand and NT\$111,974 thousand as of December 31, 2020 and June 30, 2020, and will be due within 5 months and 7 months after the balance sheet date, respectively. Having considered the credit risks of such derecognized drafts, the Group determines that the fair value of its continuing involvement is immaterial.

For the six months ended June 30, 2021 and 2020, the Group did not recognize any gain or loss for its banker's acceptance drafts that were transferred with endorsement, nor for its continuing involvement in such drafts in the current period or cumulatively over the previous periods.

XXIX. 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

Name of Related Party	Relationship with the Group
WeBIM Services Co., Ltd. (WeBIM Services)	Has been an affiliated company of the Company since January 22, 2019, and the remaining equity of the company has been disposed of on August 17, 2020
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.
Meng-chung LEE	Chairman of WeBIM Services
Tzu-chiang YANG	Director of the Company
Pang-yen YANG	Director of the Company

(II) Other related party transactions

1. Construction costs

Category of Related Parties	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Associates	\$ -	\$ 180	\$ -	\$ 1,124

It is the cost paid for entrusting associates to provide services such as architectural model drawing, and is handled in accordance with general terms and conditions.

2. 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.

Accounting subject	Name of Related Party	January 1 to June 30, 2021	January 1 to June 30, 2020
Acquisition of right-of-use assets	Chien Hwei Investment Co., Ltd.	\$ 5,811	\$ 12,532

Accounting Item	Name of Related Party	June 30, 2021	December 31, 2020	June 30, 2020
Lease liabilities	Chien Hwei Investment Co., Ltd.	\$ 13,735	\$ 10,088	\$ 11,721

Accounting subject	Category of Related Parties	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Interest expenses	Other related parties	\$ 59	\$ 50	\$ 98	\$ 136
Lease expenses	Other related parties	\$ 31	\$ 27	\$ 58	\$ 45

3. 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.

Accounting subject	Name of Related Party	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Rent income	Chien Hwei Investment Co., Ltd.	\$ 285	\$ 285	\$ 571	\$ 571

4. Donation

Name of Related Party	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Chien Kuo Foundation for Arts and Culture	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800

The Group donated funds for broadcast production to related parties.

5. Acquisition of financial assets

The Group invested in CSVI VENTURES, L.P. with NT\$11,144 thousand (USD400 thousand) in March 2021. The key decision-maker of the fund is the Company's director.

(III) Remuneration to key management

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Short-term employee benefits	\$ 14,249	\$ 8,946	\$ 26,618	\$ 18,311
Post-employment benefits	443 \$ 14,692	280 \$ 9,226	783 \$ 27,401	559 \$ 18,870

XXX. Pledged Assets

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

	June 30, 2021	December 31, 2020	June 30, 2020
Inventories (for construction business)	\$ 463,577	\$ 463,577	\$ 463,577
Financial assets measured at FVTOCI - non-current	153,221	129,939	121,854
Pledged time deposit certificate (classified as financial assets at amortized cost)	1,672	5,696	65,186
Investment property	30,688	30,974	31,261
Property, plant, and equipment	-	-	6,240
Other restricted assets (classified as other non-current assets)	13,897 \$ 663,055	13,897 \$ 644,083	8,833 \$ 696,951

XXXI. 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:

Contingency

(I) The construction project of the National Kaohsiung Center for the Arts (Weiuying) (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. The arbitration association planned to process the last arbitration meeting on June 28, 2021, and to make a judgment on the arbitration in the middle of September 2021. The arbitration board is still judging the related evidence so the results of the arbitration are difficult to evaluate.

(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 Hing Corporation stated that it takes a little more time to prepare the relevant documents because of the change of lawyers. Therefore, the court scheduled the second speech debate for April 22, 2021. The judge is currently only conducting preparation procedures and 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 outstanding amount and the damage suffered 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, and the Group has booked the settlement according to the arbitration result.
- (IV) As of June 30, 2021, the performance guarantee letters issued by the bank for construction projects of the Group amounted to NT\$1,475,960 thousand.

(V) As of June 30, 2021, the guaranteed bills issued by the Group for business needs amounted to NT\$244,883 thousand.

XXXII. Others

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.

XXXIII. 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

June 30, 2021

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
RMB	\$ 160,552	0.1548 (RMB:USD)	\$ 692,397
USD	778	27.86 (USD:NTD)	<u>21,675</u>
			<u>\$ 714,072</u>

December 31, 2020

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
RMB	\$ 91,320	0.1533 (RMB:USD)	\$ 398,594
USD	7,036	28.48 (USD:NTD)	<u>200,385</u>
			<u>\$ 598,979</u>

June 30, 2020

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
RMB	\$ 8,095	0.1411 (RMB:USD)	<u>\$ 33,880</u>

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

	<u>April 1 to June 30, 2021</u>		<u>April 1 to June 30, 2020</u>	
	<u>Exchange Rate</u>	<u>Net Exchange Profit (Loss)</u>	<u>Exchange Rate</u>	<u>Net Exchange Profit (Loss)</u>
<u>Financial assets</u>				
RMB	0.1546 (RMB:USD)	\$ 18,147	0.1423 (RMB:USD)	\$ 77
USD	28.17 (USD:NTD)	4,321	30.001 (USD:NTD)	-
		<u>\$ 22,468</u>		<u>\$ 77</u>

	January 1 to June 30, 2021		January 1 to June 30, 2020	
	Exchange Rate	Net Exchange Profit (Loss)	Exchange Rate	Net Exchange Profit (Loss)
Financial assets				
RMB	0.1546 (RMB:USD)	\$ 9,352	0.1423 (RMB:USD)	(\$ 13)
USD	28.17 (USD:NTD)	(1,248)	30.001 (USD:NTD)	-
		(\$ 8,104)		(\$ 13)

XXXIV. Supplementary Disclosures

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

1. Loaning Provided to Others: (Appendix 1)
2. Endorsements/Guarantees Provided for Others: (Appendix 2)
3. Marketable Securities Held by the End of the Period (Excluding Investment in Subsidiaries, Associates and Joint Ventures): (Appendix 3)
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 4)
8. Receivables from Related Parties Amounting to NT\$100 Million or 20% of the Paid-in Capital or More: (Appendix 5)
9. Engaging in Derivatives Trading: (Notes VII and XXVIII)
10. Others: Inter-company Business Relationships and Significant Inter-company Transactions: (Appendix 6)
11. Information on Invested Companies: (Appendix 7)

(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 8)
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 9)

XXXV. 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
Loaning Provided to Others
January 1 to June 30, 2021

Appendix 1

Unit: NT\$ Thousand

No.	Financing Company	Counterparty	Financial Statement Account	Whether a Related Party	Maximum Balance	Ending balance	Amount Actually Withdrawn	Interest Rate Range	Nature of Financing (Note 1)	Amount of Transaction	Reason for short-term Financing	Allowance for Doubtful Debts	Collateral		Limit on Loans Granted to a Single Party	Total Loan Limit	Note
													Name	Value			
1	Chien Kuo Building Co., Ltd.	Shun Long International Electrical Engineering Co., Ltd.	Other receivables	Yes	\$ 20,000	\$ 20,000	\$ 20,000	1.45%	(1)	\$ -	Operating capital	\$ -	-	\$ -	20% of the company's net worth \$ 20,171	40% of the company's net worth \$ 40,342	

Note 1: The nature of financing is described as follows:

(1) For the purpose of short-term financing.

Chien Kuo Construction Co., Ltd. and Subsidiaries
Endorsements/Guarantees Provided for Others
January 1 to June 30, 2021

Appendix 2

Unit: NT\$ Thousand

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	\$ 2,334,459	\$ 100,000	\$ 100,000	\$ 9,730	\$ -	2.14%	\$ 4,668,918	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
June 30, 2021

Appendix 3

Unit: NT\$ Thousand

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>							
	Capital Money Market Fund	-	Financial assets at FVTPL - current	4,570	\$ 74,406	-	\$ 74,406	-
	Mega Diamond Money Market Fund	-	"	3,949	50,023	-	50,023	-
	Taishin Ta-Chong Money Market Fund	-	"	2,028	29,071	-	29,071	-
	FSITC Money Market Fund	-	"	445	80,092	-	80,092	-
	Wanchang Venture Capital Private Equity Funds	-	Financial assets at FVTPL - non-current	1,800	17,100	-	17,100	-
	<u>Stock</u>							
	Chung Hung Steel Co., Ltd.	-	Financial assets at FVTPL - current	37	2,264	-	2,264	-
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	37	22,015	-	22,015	-
	Wisdom Marine Lines Co., Ltd.	-	"	20	2,210	-	2,210	-
	ITE Tech. Inc.	-	"	27	3,280	0.02%	3,280	-
	AP Memory Technology Corporation	-	"	5	3,170	0.01%	3,170	-
	GlobalWafers Co., Ltd	-	"	7	6,433	-	6,433	-
	Advanced Wireless Semiconductor Company	-	"	78	12,129	0.04%	12,129	-
	Brillian Network & Automation Integrated System Co., Ltd.	-	"	30	5,730	0.09%	5,730	-
	United Microelectronics Corp.	-	"	255	13,540	-	13,540	-
	Unimicron Technology Corporation	-	"	27	3,483	-	3,483	-
	Novatek Microelectronics Corp.	-	"	6	2,994	-	2,994	-
	Kinsus Interconnect Technology Corp.	-	"	15	2,025	-	2,025	-
	GIGABYTE Technology Co., Ltd.	-	"	15	1,612	-	1,612	-
	China Steel Corporation	-	"	40	1,584	-	1,584	-
	Nanya Technology Corporation	-	"	34	2,710	-	2,710	-
	Merida Industry Co., Ltd.	-	"	8	2,504	-	2,504	-
	Makalot Industrial Co., Ltd.	-	"	35	9,590	0.01%	9,590	-
	Elite Material Co., Ltd.	-	"	11	2,398	-	2,398	-
	TXC Corporation	-	"	45	5,670	0.01%	5,670	-
	Realtek Semiconductor Corp.	-	"	4	2,020	-	2,020	-
	Lotes Co., Ltd.	-	"	5	2,920	-	2,920	-
	Chung-Hsin Electric & Machinery Mfg. Corp.	-	"	30	1,524	0.01%	1,524	-
	Ta Chen International Inc.	-	"	60	3,570	-	3,570	-
	Advanced Ceramic X Corporation	-	"	5	2,525	0.01%	2,525	-
	Vanguard International Semiconductor Corp.	-	"	30	3,540	-	3,540	-

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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.	YFY Inc.	-	Financial assets at FVTPL - current	130	\$ 5,941	0.01%	\$ 5,941	-
	Hkssteel Technology Corp.	-	"	42	3,352	0.01%	3,352	-
	Global Lighting Technologies Inc.	-	"	15	1,482	0.01%	1,482	-
	TONG HSING ELECTRONIC INDUSTRIES, LTD.	-	"	25	5,313	0.01%	5,313	-
	Taiwan Surface Mounting Technology Corp.	-	"	22	2,662	0.01%	2,662	-
	Chia Hsin Cement Corporation	-	Financial assets measured at FVTOCI - current	1,114	24,965	0.14%	24,965	-
	Taiwan Cement Corporation	-	Financial assets measured at FVTOCI - non-current	6,191	315,743	0.10%	315,743	(Note 2)
	Chia Hsin Cement Corporation Stock	-	"	6,853	153,507	0.88%	153,507	(Note 3)
	MediaTek Inc.	-	Financial assets at FVTPL - current	5	4,810	-	4,810	-
	G-Tech Optoelectronics Corp.	-	"	130	5,298	0.06%	5,298	-
	Genius Electronic Optical Co., Ltd	-	"	9	5,076	0.01%	5,076	-
	Calin Technology Co., Ltd.	-	"	41	3,444	0.03%	3,444	-
	RDC Semiconductor Co., LTD	-	"	30	11,160	0.04%	11,160	-
	Sino-American Silicon Products Inc.	-	"	25	4,825	-	4,825	-
Golden Canyon Venture Capital Investment Co., Ltd.	GlobalWafers Co., Ltd	-	"	2	1,838	-	1,838	-
	M31 Technology Corp.	-	"	20	7,940	0.06%	7,940	-
	Powerchip Semiconductor Manufacturing Corp.	-	"	70	4,823	-	4,823	-
	Stock							
	Locus Cell Co., Ltd.	-	Financial assets at FVTPL - non-current	1,000	10,000	-	10,000	-
Golden Canyon Limited	Fund							
	CSOP S&P New China Sectors HKD Inc ETF	-	Financial assets at FVTPL - current	89	33,710	-	33,710	-
	iShares FTSE China A50 ETF	-	"	74	5,374	-	5,374	-
	PVG GCN VENTURES, L.P.	-	Financial assets at FVTPL - non-current	-	21,636	5.00%	21,636	-
Silver Shadow Holding Limited	CSVI VENTURES, L.P.	(Note 1)	"	-	38,669	6.45%	38,669	-
	Fund							
	BlackRock Global Fund - World Mining Fund A2 USD	-	Financial assets at FVTPL - current	16	27,774	-	27,774	-
	SinoPac Securities - Capital Chinese Golden Age Equity Fund (RMB)	-	"	288	26,607	-	26,607	-
	SinoPac Securities - Fuh Hwa China New Economy A Shares Equity Fund (RMB)	-	"	335	24,859	-	24,859	-
	Invesco S&P 500® Equal Weight Utilities ETF (RYU)	-	"	3	8,344	-	8,344	-
	iShares Global Clean Energy ETF (ICLN)	-	"	21	13,683	-	13,683	-

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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	
	US Global Jets ETF (JETS)	-	Financial assets at FVTPL - current	38	\$ 25,390	-	\$ 25,390	-
	Vanguard Value ETF	-	"	6	24,337	-	24,337	-
	<u>Stock</u>							
	Abbott Laboratories	-	Financial assets at FVTPL - current	-	1,150	-	1,150	-
	AECOM	-	"	-	776	-	776	-
	AeroVironment, Inc.	-	"	-	675	-	675	-
	Alibaba Group Holding Limited	-	"	5	3,847	-	3,847	-
	Alphabet Inc.	-	"	-	2,793	-	2,793	-
	Amazon.com, Inc.	-	"	-	3,067	-	3,067	-
	American Tower Corporation (REIT)	-	"	-	948	-	948	-
	Anritsu Corporation	-	"	2	882	-	882	-
	Apple Inc.	-	"	1	2,908	-	2,908	-
	Aptiv PLC	-	"	-	508	-	508	-
	AstraZeneca PLC	-	"	-	1,566	-	1,566	-
	Baidu, Inc.	-	"	-	687	-	687	-
	Baker Hughes Company	-	"	1	860	-	860	-
	Banco Bradesco S.A.	-	"	6	924	-	924	-
	Beijing Oriental Yuhong Waterproof Technology Co., Ltd.	-	"	2	358	-	358	-
	Bilibili Inc.	-	"	-	1,019	-	1,019	-
	BlackRock, Inc.	-	"	-	1,048	-	1,048	-
	BNY Mellon Strategic Municipal Bond Fund, Inc.	-	"	-	704	-	704	-
	Brookfield Asset Management Inc	-	"	1	1,248	-	1,248	-
	BYD Company Limited	-	"	1	550	-	550	-
	CAE Inc.	-	"	1	811	-	811	-
	CanSino Biologics Inc.	-	"	-	224	-	224	-
	Charles Schwab Corporation	-	"	1	1,325	-	1,325	-
	China Merchants Bank Co., Ltd.	-	"	4	1,019	-	1,019	-
	China Resources Land Limited	-	"	4	479	-	479	-
	China Tourism Group Duty Free Corporation Limited	-	"	1	647	-	647	-
	Clean Harbors, Inc.	-	"	-	1,095	-	1,095	-
	Coca-Cola Company	-	"	1	1,072	-	1,072	-
	Contemporary Amperex Technology Co., Limited	-	"	-	691	-	691	-
	Corteva, Inc.	-	"	1	762	-	762	-
	Country Garden Services Holdings Company Limited	-	"	2	570	-	570	-

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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	
	DBS Group Holdings Ltd	-	Financial assets at FVTPL - current	2	\$ 1,030	-	\$ 1,030	-
	Deere & Company	-	"	-	796	-	796	-
	DexCom, Inc.	-	"	-	761	-	761	-
	DocuSign, Inc.	-	"	-	989	-	989	-
	DraftKings Inc.	-	"	1	785	-	785	-
	Ecolab Inc.	-	"	-	557	-	557	-
	Elanco Animal Health Incorporated	-	"	1	979	-	979	-
	ENN Energy Holdings Limited	-	"	2	898	-	898	-
	Equinix, Inc.	-	"	-	760	-	760	-
	EssilorLuxottica Société anonyme	-	"	-	858	-	858	-
	Estee Lauder Companies, Inc.	-	"	-	780	-	780	-
	Fanuc Corporation	-	"	-	784	-	784	-
	FedEx Corporation	-	"	-	615	-	615	-
	Fidelity National Information Services, Inc.	-	"	-	1,172	-	1,172	-
	Futu Holdings Limited	-	"	-	459	-	459	-
	Fuyao Glass Industry Group Co., Ltd.	-	"	4	938	-	938	-
	Galaxy Entertainment Group Limited	-	"	4	924	-	924	-
	GDS Holdings Limited	-	"	-	610	-	610	-
	Graphic Packaging Holding Company	-	"	2	1,057	-	1,057	-
	Haidilao International Holding Ltd.	-	"	2	251	-	251	-
	Hannon Armstrong Sustainable Infrastructure Capital, Inc.	-	"	-	590	-	590	-
	Honeywell International Inc.	-	"	-	868	-	868	-
	Hong Kong Exchanges and Clearing Limited	-	"	1	1,541	-	1,541	-
	Huazhu Group Limited	-	"	-	413	-	413	-
	iFLYTEK CO., LTD	-	"	2	553	-	553	-
	Innoven Biologics, Inc.	-	"	1	399	-	399	-
	Intuitive Surgical, Inc.	-	"	-	615	-	615	-
	Jiangsu Hengrui Medicine Co., Ltd.	-	"	1	246	-	246	-
	Keyence Corporation	-	"	-	778	-	778	-
	KION GROUP AG	-	"	-	1,105	-	1,105	-
	Kweichow Moutai Co., Ltd.	-	"	-	1,772	-	1,772	-
	LINDE PLC	-	"	-	677	-	677	-
	LONGi Green Energy Technology Co., Ltd.	-	"	2	589	-	589	-

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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	
	LVMH MOET HENNESSY VUITTON SE	-	Financial assets at FVTPL - current	-	\$ 1,143	-	\$ 1,143	-
	Medtronic plc.	-	"	-	1,356	-	1,356	-
	Meituan	-	"	1	843	-	843	-
	MercadoLibre, Inc.	-	"	-	521	-	521	-
	MicroPort Scientific Corporation	-	"	2	413	-	413	-
	Microsoft Corporation	-	"	-	3,313	-	3,313	-
	Midea Group Co., Ltd.	-	"	1	277	-	277	-
	Mondelez International, Inc.	-	"	1	1,263	-	1,263	-
	Neste Corporation	-	"	-	678	-	678	-
	Nestlé S.A.	-	"	-	1,346	-	1,346	-
	NetEase, Inc.	-	"	1	333	-	333	-
	Newlink Technology Inc.	-	"	4	611	-	611	-
	Nexi S.p.A.	-	"	2	993	-	993	-
	NextEra Energy, Inc.	-	"	-	800	-	800	-
	Nike, Inc.	-	"	-	835	-	835	-
	NVIDIA Corporation	-	"	-	1,560	-	1,560	-
	NXP Semiconductors N.V.	-	"	-	900	-	900	-
	Palo Alto Networks, Inc.	-	"	-	1,055	-	1,055	-
	Ping An Insurance	-	"	7	1,989	-	1,989	-
	Prosus N.V.	-	"	2	829	-	829	-
	Roche Holding AG	-	"	-	1,168	-	1,168	-
	S&P Global Inc.	-	"	-	846	-	846	-
	Salesforce.com Inc	-	"	-	1,001	-	1,001	-
	Schneider Electric S.E.	-	"	1	760	-	760	-
	Shenzhou International Group Holdings Limited	-	"	1	384	-	384	-
	Siemens Gamesa Renewable Energy, S.A.	-	"	4	744	-	744	-
	SIG Combibloc Group AG	-	"	1	718	-	718	-
	Smg SDI Sp GDR-Unty	-	"	-	624	-	624	-
	SolarEdge Technologies, Inc.	-	"	-	593	-	593	-
	Sony Group Corporation	-	"	-	1,047	-	1,047	-
	ST Engineering	-	"	12	944	-	944	-
	Taiwan Semiconductor Manufacturing Company Limited	-	"	-	1,222	-	1,222	-
	Take-Two Interactive Software, TAL EDUCATION GROUP	-	"	-	927	-	927	-
	Teladoc Health, Inc.	-	"	-	103	-	103	-
	Tencent Holdings Limited	-	"	1	612	-	612	-
	The Liberty SiriusXM Group	-	"	1	2,881	-	2,881	-
			"	1	1,025	-	1,025	-

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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	
CK Asia (Shanghai) Information Technology Co., Ltd.	The Middleby Corporation	-	Financial assets at FVTPL - current	-	\$ 1,105	-	\$ 1,105	-
	Thermo Fisher Scientific Inc	-	"	-	1,054	-	1,054	-
	Trip.com Group Limited	-	"	1	974	-	974	-
	UnitedHealth Group Incorporated	-	"	-	1,383	-	1,383	-
	Vertex Pharmaceuticals Incorporated (VRTX)	-	"	-	938	-	938	-
	Visa Inc.	-	"	-	1,570	-	1,570	-
	VOLKSWAGEN AG	-	"	-	1,127	-	1,127	-
	Walt Disney Company	-	"	-	979	-	979	-
	Weichai Power Co., Ltd.	-	"	4	316	-	316	-
	Wuliangye Yibin Co., Ltd.	-	"	-	385	-	385	-
	WUXI APPTEC CO LTD	-	"	-	202	-	202	-
	WuXi Biologics (Cayman) Inc	-	"	2	916	-	916	-
	Xiaomi Corporation	-	"	6	564	-	564	-
	Zhangzhou Pientzhuang Pharmaceutical., Ltd	-	"	-	579	-	579	-
	<u>Fund</u>							
CK Asia (Shanghai) Information Technology Co., Ltd.	Southern CSI Bank ETF Fund <u>Stock</u>	-	Financial assets at FVTPL - current	1,800	10,014	-	10,014	-
	Yili.com Inc.	-	Financial assets at FVTPL - current	23	3,621	-	3,621	-
	Shandong Chenming Paper Holdings Limited	-	"	43	1,510	-	1,510	-

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 7 and Appendix 8.

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 June 30, 2021

Appendix 4

Unit: NT\$ Thousand

Purchaser/ Seller	Counter-party	Relationship	Transaction Situation				Situations and Reasons of Transaction Terms Different from General Transaction Terms (Note 1)		Notes or accounts receivable (payable)	Note (Note 2)
			Purchases/ Sales	Amount	Ratio to Total Purchase (sell)	Credit period	Unit Price	Credit period	Ending Balance	
Chien Kuo Construction Co., Ltd.	Shun Long International Electrical Engineering Co., Ltd.	Subsidiary	Purchases	\$ 277,353	11.78%	Subject to the agreement	-	-	(\$ 260,703)	(15.8%)
Shun Long International Electrical Engineering Co., Ltd.	Chien Kuo Construction Co., Ltd.	Parent company	Sales	(277,353)	(97.71%)	Subject to the agreement	-	-	260,703	100%

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
 June 30, 2021

Appendix 5

Unit: NT\$ Thousand

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 \$260,703	1.75	\$ -	\$ -	\$ 76,030	\$ -

Note 1: Amount received as of August 13, 2021.

Chien Kuo Construction Co., Ltd. and Subsidiaries
 Inter-company Business Relationships and Significant Inter-company Transactions
 January 1 to June 30, 2021

Appendix 6

Unit: NT\$ Thousand

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	\$ 4,775	Note 2	0.06%
				Construction costs	277,353	Note 2	10.55%
				Contract assets - property construction	1,964,714	Note 2	23.85%
				Accounts payable	260,703	Note 2	3.16%
				Accounts payable - Provisional	109,414	Note 2	1.33%
				Other payables	20,000	Note 3	0.24%
1	Shun Long International Electrical Engineering Co., Ltd.	Chien Kuo Building Co., Ltd.	(3)				

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.

Note 3. Loans.

Chien Kuo Construction Co., Ltd. and Subsidiaries
Information on Invested Companies
January 1 to June 30, 2021

Appendix 7

Unit: NT\$ Thousand

Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount		Balance as of June 30, 2021			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)	Shareholding Percentage (%)	Carrying Amount			
Chien Kuo Construction Co., Ltd.	Golden Canyon Limited	British Virgin Islands	Reinvestment	\$ 183,751	\$ 272,267	5,881	100.00	\$ 1,447,612	\$ 69,403	\$ 69,403	Subsidiary
	Silver Shadow Holding Limited	British Virgin Islands	Reinvestment	704,069	815,907	21,606	100.00	1,799,197	72,671	72,671	Subsidiary
	Chien Kuo Building Co., Ltd.	Taiwan	Building construction commission; public housing lease and sale	144,065	144,065	10,000	100.00	103,832	3,497	3,497	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	71,494	16,356	16,356	Subsidiary
	Golden Canyon Venture Capital Investment Co., Ltd.	Taiwan	Venture capital business	401,000	401,000	40,100	100.00	399,581	(750)	(750)	Subsidiary
	Golden Canyon II Venture Capital Investment Co., Ltd.	Taiwan	Venture capital business	200,000	-	20,000	100.00	199,991	(9)	(9)	Subsidiary
	CK Asia Co., Ltd.	British Virgin Islands	Reinvestment	744,803	878,510	1,429	54.78	609,180	104,720	Note 3	Sub-subsidiary
Golden Canyon Limited	CK Asia Co., Ltd.	British Virgin Islands	Reinvestment	663,040	782,106	1,179	45.22	502,877	104,720	Note 3	Sub-subsidiary

Note 1. Where there involves a foreign currency, it is translated into New Taiwan Dollars by using the exchange rate as of June 30, 2021 (US\$1=NT\$27.86), except for profit or loss items, which are translated into New Taiwan Dollars by using the average exchange rate over January 1 - June 30, 2021 (US\$1=NT\$28.17).

Note 2. Please refer to Appendix 8 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 June 30, 2021

Appendix 8

Unit: NT\$ Thousand

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 June 30, 2021 (Note 1)	Investment Gains Repatriated by the End of the Current Period	Note
					Remitted	Received							
Shanghai Chien Kuo Concrete Co., Ltd.	Production and sale of concrete and concrete products	\$ 139,634	Investment through a company founded in a third region	\$ 16,145	\$ -	\$ -	\$ 16,145	\$ -	-	\$ -	\$ -	\$ 4,416	Note 4
CK Asia (Shanghai) Information Technology Co., Ltd.	Computer software technology development and consultation	120,197	Investment through a company founded in a third region	68,326	-	-	68,326	(3,147)	100%	(3,147)	170,894	41,113	
Suzhou Chien Hua Concrete Co., Ltd.	Production and sale of concrete and concrete products	111,440	Investment through a company founded in a third region	182,036	-	-	182,036	-	-	-	-	-	Note 4
Chien Ya (Suzhou) Information Technology Consultant Co., Ltd.	Computer software technology development and consultation	270,939	Investment through a company founded in a third region	-	-	-	-	(557)	100%	(557)	238,227	-	Note 5
Wuxi Chien Bang Concrete Co., Ltd.	Production and sale of concrete and concrete products	139,300	Investment through a company founded in a third region	214,059	-	-	214,059	-	-	-	-	32,445	Note 4
Chien Ya (Wuxi) Information Technology Consultant Co., Ltd.	Computer software technology development and consultation	258,402	Investment through a company founded in a third region	-	-	-	-	920	100%	920	274,830	-	Note 6
Chien Ya (Nantong) Information Technology Consultant Co., Ltd.	Computer software technology development and consultation	139,300	Investment through a company founded in a third region	161,500	-	-	161,500	-	-	-	-	4,405	Note 4
Yangzhou Chien Yung Concrete Co., Ltd.	Production and sale of concrete and concrete products	55,720	Investment through a company founded in a third region	197,041	-	-	197,041	737	100%	737	101,563	168,105	
Chien Ya (Yangzhou) Technology Consultant Co., Ltd.	Computer software technology development and consultation	225,666	Investment through a company founded in a third region	-	-	-	-	1,252	100%	1,252	263,472	-	Note 7

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)	\$937,303 (Note 2)	\$ 2,856,844

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

Note 2: The amount authorized by the Investment Commission, MOEA was NT\$1,491,492 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.

Note 4: Shanghai Chien Kuo Concrete Co., Ltd. has completed the liquidation on December 9, 2016; Suzhou Chien Hua Concrete Co., Ltd. was disposed of and has completed the equity transaction on February 11, 2020; Wuxi Chien Bang Concrete Co., Ltd. was disposed of and has completed the equity transaction on February 5, 2021; Chien Ya (Nantong) Information Technology Consultant Co., Ltd. has completed the liquidation on December 6, 2019.

Note 5: Newly established as a spin-off from Suzhou Chien Hua Concrete Co., Ltd.

Note 6: Newly established as a spin-off from Wuxi Chien Bang Concrete Co., Ltd.

Note 7: Newly established as a spin-off from Yangzhou Chien Yung Concrete Co., Ltd.

Chien Kuo Construction Co., Ltd.
Information on Major Shareholders

June 30, 2021

Appendix 9

Unit: In thousand shares

List of Major Shareholders	Shareholding	
	Number of Shares	Percentage (%)
	Held	
Chien Hwei Investment Co., Ltd.	46,012	17.87%
Chi-te CHEN	18,844	7.31%
Chen-ching CHEN	13,586	5.27%

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 Company'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.