Stock Code: 5515

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2021 and 2020

Address: 20F, No. 67, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City
Tel: 2784-9730

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Statement Regarding the Consolidated Financial Statements of Affiliated Enterprises

For the year 2021 (from January 1 to December 31, 2021), the Company's entities that are required to be included in the consolidated financial statements of affiliated enterprises under the "Criteria Governing Preparation of Consolidated Business Report of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Reports" are the same as those required to be included in the parent subsidiary consolidated financial statements under the International Financial Reporting Standards 10. Moreover, the related information required to be disclosed for the consolidated financial statements of affiliated enterprises has been fully disclosed in the aforementioned parent subsidiary consolidated financial statements. Consequently, a separate set of consolidated financial statements of affiliated enterprises is not prepared.

Hereby declare by

Company Name: Chien Kuo Construction Co. Ltd.

Responsible person: Chang-Shiou WU

March28, 2022

Independent Auditors' Report

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

Audit Opinions

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

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

Basis for Audit Opinion

We conducted our audit of the financial statements in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants," and the generally accepted auditing standards. Our responsibility under the above mentioned regulations will be further explained in the section titled "The Accountants' Responsibility in Auditing the Consolidated Financial Statements." We have stayed independent from Chien Kuo Construction Co., Ltd. as required by The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities as stipulated by the Norm. We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 consolidated financial statements of Chien Kuo Construction Co., Ltd. and its subsidiaries. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters for the consolidated financial statements of Chien Kuo Construction Co., Ltd. and its subsidiaries for 2021 are stated as follows:

Construction contracts

The operating revenue of Chien Kuo Construction Co. Ltd. is primarily derived from construction revenue, which is recognized in cost based input method by the management in accordance with IFRS 15 "Revenue from Contracts with Customers." Since the percentage of completion is calculated as the ratio of costs input to the total estimated contract costs, the total estimated construction contract costs are a key factor in calculating the percentage of cost input. As estimated 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, and they are prone to influence from changes in commodity prices, labor prices and construction items due to long duration of construction contracts. Any significant changes in estimates, once occurred, may lead to a revenue recognized in accordance with the percentage of completion method either consisting of errors, or having significant influence on the misstatement of the financial statements. Consequently, the estimates of the total costs of the construction contracts are deemed a key audit matter.

Our major audit procedures executed in response to this key audit matter included understanding the procedures by which the management estimated the total costs of long term construction contracts; examining the construction documents, that the management used as evidence for estimating the total costs of construction contracts, in order to assess comprehensively the completeness and reasonableness of the estimates of total costs of long term construction contracts; and examining whether in the subsequent period the cost of construction contracts were adjusted significantly, and analyzing changes in revenue, costs, and gross profits of each project of construction.

For information about construction contracts, please refer to Note XXII.

Other Matters

Chien Kuo Construction Co., Ltd. has also compiled Financial Statements for 2021 and 2020, and they have also received an unqualified audit opinion from our CPA for your reference.

Responsibility of the Management and the Governing Body for the Consolidated Financial Statements

It is the management's responsibility to fairly present the Consolidated Financial Statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission, and to maintain internal controls which are necessary for the preparation of the Consolidated Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the Consolidated Financial Statements, the responsibility of management includes assessing the ability of Chien Kuo Construction Co., Ltd. and its subsidiaries to continue as going concerns, disclosing related matters, as well as adopting the going concern basis of accounting, unless the management intends to liquidate Chien Kuo Construction Co., Ltd. and its subsidiaries or terminate the business, or no practicable measure other than liquidation or termination of the business can be taken.

The governing bodies of Chien Kuo Construction Co., Ltd. and its subsidiaries (including the Audit Committee or the supervisors) have the responsibility to oversee the process by which the financial statements are prepared.

The Accountants' Responsibility in Auditing the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. "Reasonable assurance" refers to high level of assurance. Nevertheless, our audit, which was carried out in accordance with the generally accepted auditing standards, does not guarantee that a material misstatement(s) will be detected in the Consolidated Financial Statements. Misstatements may result from fraud or errors. The misstated amounts are material if they could, individually or collectively, be reasonably anticipated to influence the economic decisions of users taken on the basis of the consolidated financial statements.

We have utilized our professional judgment and maintained professional skepticism when exercising auditing work in accordance with the generally accepted auditing standards. We have also:

1. Identified and assessed the risks of a material misstatement(s) due to fraud or errors in the Consolidated Financial Statements; designed and carried out appropriate countermeasures against the assessed risks; and obtained sufficient and appropriate audit evidence to provide the basis for audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or overrides of internal controls, the risk of an undetected material misstatement due to fraud is greater than that due to errors.

2. Acquired necessary understanding of internal controls pertaining to the audit in order to develop audit procedures appropriate under the circumstances. Nevertheless, the purpose of such understanding is not to provide any opinion on the effectiveness of the internal controls of Chien Kuo Construction Co., Ltd. and its subsidiaries.
3. Assessed the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Concluded, based on the audit evidence acquired, on the appropriateness of the management's use of the going concern basis of accounting, and determined whether a material uncertainty exists where events or conditions that might cast significant doubt on the ability of Chien Kuo Construction Co., Ltd. and its subsidiaries to continue as going concerns. If we believe there are events or conditions indicating the existence of a material uncertainty, we are required to remind the users of the Consolidated Financial Statements in our audit report of the relevant disclosures therein, or to amend our audit opinion when any inappropriate disclosure was found. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or conditions may cause Chien Kuo Construction Co., Ltd. and its subsidiaries to cease to continue as a going concern.
5. Assessed the overall presentation, structure and content of the Consolidated Financial Statements (including the related notes), and determined whether the Consolidated Financial Statements present fairly the related transactions and events.
6. Acquired sufficient and appropriate audit evidence regarding financial information of entities within Chien Kuo Construction Co., Ltd. and its subsidiaries in order to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion on Chien Kuo Construction Co., Ltd. and its subsidiaries.

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

We also provided governing bodies with a declaration that we had complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that might possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with those charged with governance, we determined the key audit matters of the consolidated financial statements of Chien Kuo Construction Co., Ltd. and its subsidiaries of 2021. Such matters have been explicitly stated in our audit report, unless laws or regulations prevent their disclosures, or, in extremely rare cases, we decided not to communicate such matters in our audit report in consideration that the adverse impacts of such communication could be reasonably expected to be greater than the public interest it would promote.

Deloitte Taiwan

CPA: Li-Chun CHANG	CPA: Wen-Chin LIN
Financial Supervisory Commission Approval Document No.:	Securities and Futures Bureau Approval Document No.:
FSC Approval Document No. 1100356048	Tai-Cai-Zheng-6 No. 0920123784

March 28, 2022

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

Unit: NT$ Thousands

Code	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note VI)	$ 2,453,293	29	$ 2,607,033	30
1110	Financial assets at fair value through profit or loss (Note VII)	1,830,044	22	1,745,016	20
1120	Financial assets at fair value through other comprehensive income (Note VIII)	23,126	-	24,569	-
1136	Financial assets at amortized cost (Notes IX and XXXII)	573,902	7	292,741	3
1140	Contract assets (Note XXII)	1,622,095	20	1,586,371	18
1150	Notes receivable (Note X)	34,536	-	89,256	1
1170	Accounts receivable (Notes X and XXII)	241,362	3	584,381	7
1200	Other receivables	27,817	-	155,105	2
1220	Current tax assets	110,984	1	110,592	1
1323	Inventories (for construction business) (Notes XI and XXXII)	465,926	6	465,926	5
1410	Prepayments (Note XII)	119,411	2	53,591	1
1460	Non-current assets classified as held for sale (Note XIV)	-	-	353,954	4
1470	Other current assets	11,518	-	6,376	-
11XX	Total current assets	7,514,014	90	8,074,911	92
	Non-current assets				
1510	Financial assets at fair value through profit or loss (Note VII)	88,042	1	67,355	1
1517	Financial assets at fair value through other comprehensive income (Notes VIII and XXXII)	525,553	6	398,003	5
1535	Financial assets at amortized cost (Notes IX and XXXII)	-	-	5,696	-
1600	Property, plant and equipment (Note XV)	33,847	1	33,577	-
1755	Right-of-use assets (Note XVI)	23,284	-	25,049	-
1760	Investment properties (Notes XVII and XXXII)	102,487	1	122,643	2
1840	Deferred tax assets (Note XXIV)	25,552	-	30,965	-
1990	Other non-current assets (Note XXXII)	32,291	1	23,653	-
15XX	Total non-current assets	831,056	10	706,941	8
1XXX	Total assets	$ 8,345,070	100	$ 8,781,852	100
Code	Liabilities and Equity				
	Current liabilities				
2100	Short-term loans (Note XVIII)	$ 200,000	2	$ 15,000	-
2130	Contract liabilities (Note XXII)	287,695	3	93,909	1
2150	Notes payable	38,137	1	10,120	-
2170	Accounts payable (Note XIX)	1,649,752	20	1,810,129	21
2200	Other payables	281,237	3	242,799	3
2230	Current tax liabilities	52,091	1	29,520	-
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 (Notes XVIII and XXXII)	499,862	6	449,292	5
2399	Other current liabilities (Note XVI)	64,979	1	72,710	1
21XX	Total current liabilities	3,073,753	37	3,284,836	38
	Non-current liabilities				
2540	Long-term loans (Notes XVIII and XXXII)	-	-	499,850	6
2570	Deferred tax Liabilities (Note XXIV)	486,280	6	457,330	5
2600	Other current liabilities (Note XVI)	82,459	1	111,185	1
25XX	Total non-current liabilities	568,739	7	1,068,365	12
2XXX	Total liabilities	3,642,492	44	4,353,201	50
	Equity (Note XXI)				
	Capital				
3110	Common stock	2,574,401	31	2,574,401	29
3200	Additional paid-in capital	204,852	2	204,852	2
	Retained Earnings				
3310	Legal reserve	682,772	8	645,464	8
3320	Special reserve	46,790	1	23,412	-
3350	Unappropriated earnings	1,181,539	14	1,038,788	12
3300	Total retained earnings	1,911,101	23	1,707,664	20
3400	Other equity	12,224	-	(58,266)	(1)
3XXX	Total equity	4,702,578	56	4,428,651	50
	Total liabilities and equity	$ 8,345,070	100	$ 8,781,852	100

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

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

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

From January 1 to December 31, 2021 and 2020

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

Code		2021 Amount	2021 %	2020 Amount	2020 %
4000	Operating revenue (Note XXII)	$ 5,326,431	100	$ 6,762,818	100
5000	Operating cost (Notes XXIII and XXXI)	4,702,057	88	6,250,304	93
5900	Gross profit	624,374	12	512,514	7
6000	Operating expenses (Notes XXIII and XXXI)	338,354	7	290,643	4
6900	Net operating income	286,020	5	221,871	3
	Non-operating income and expenses (Notes XXIII and XXXI)				
7010	Other income	142,670	3	69,048	1
7020	Other gains and losses	126,235	2	105,130	2
7050	Finance costs	(9,219)	-	(11,811)	-
7060	Shares of profits or loss of associates accounted for using equity method	-	-	(426)	-
7000	Total non-operating income and expenses	259,686	5	161,941	3
7900	Income before income tax from continuing operations	545,706	10	383,812	6
7950	Income tax expense(Note XXIV)	140,556	2	81,837	1
8000	Net income from continuing operations	405,150	8	301,975	5
8100	Profits from discontinued operations (Notes XIV and XXIII)	-	-	72,769	1
8200	Net income	405,150	8	374,744	6

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Code		2021 Amount	2021 %	2020 Amount	2020 %
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	$ 2,318	-	($ 936)	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	50,959	1	(19,852)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss (Note XXIV)	(463)	-	187	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	27,394	-	(52,321)	(1)
8368	Gain or loss of hedging instruments (Note XXIV)	-	-	(1,042)	-
8399	Income tax related to items that will be reclassified subsequently to profit or loss (Note XXIV)	(5,479)	-	10,465	-
8300	Other comprehensive income or loss (after tax)	74,729	1	(63,499)	(1)
8500	Total comprehensive income	$ 479,879	9	$ 311,245	5
	Net income (loss) attributable to:				
8610	Owners of the parent	$ 405,150	8	$ 373,905	6
8620	Non-controlling interests	-	-	839	-
8600		$ 405,150	8	$ 374,744	6
	Comprehensive income attributable to:				
8710	Owners of the parent	$ 479,879	9	$ 310,406	5
8720	Non-controlling interests	-	-	839	-
8700		$ 479,879	9	$ 311,245	5

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Code		2021 Amount	2021 %	2020 Amount	2020 %
	Earnings per share (Note XXV)				
	From continuing and discontinued operations				
9750	Basic	$ 1.57		$ 1.43	
9850	Diluted	$ 1.57		$ 1.43	
	From continuing operations				
9710	Basic	$ 1.57		$ 1.16	
9810	Diluted	$ 1.57		$ 1.15	

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

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

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

From January 1 to December 31, 2021 and 2020

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

		Equity Attributable to Owners of the Parent											
				Retained Earnings			Other equity						
Code		Capital	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Financial Assets at Fair Value through Other Comprehensive Income	Gain or loss on hedging instrument	Treasury stock	Total	Non-controlling interests	Total equity
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	Legal reserve	-	-	18,910	-	(18,910)	-	-	-	-	-	-	-
B3	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	-	993
L1	Purchase of treasury stock	-	-	-	-	-	-	-	-	(97,768)	(97,768)	-	(97,768)
L3	Retirement of treasury stock	(100,000)	2,232	-	-	-	-	-	-	97,768	-	-	-
D1	Net income for 2020	-	-	-	-	373,905	-	-	-	-	373,905	839	374,744
D3	Other comprehensive income (net of tax) for 2020	-	-	-	-	(749)	(41,856)	(19,852)	(1,042)	-	(63,499)	-	(63,499)
D5	Total comprehensive income in 2020	-	-	-	-	373,156	(41,856)	(19,852)	(1,042)	-	310,406	839	311,245
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(7,851)	(7,851)
Z1	Balance as of December 31, 2020	2,574,401	204,852	645,464	23,412	1,038,788	(229,518)	171,252	-	-	4,428,651	-	4,428,651
	Appropriation and distribution of retained earnings for 2020												
B1	Provision of legal reserve	-	-	37,308	-	(37,308)	-	-	-	-	-	-	-
B3	Provision of special reserve	-	-	-	34,854	(34,854)	-	-	-	-	-	-	-
B5	Cash dividends appropriated to shareholders - NT$0.80 per share	-	-	-	-	(205,952)	-	-	-	-	(205,952)	-	(205,952)
B17	Reversal of special reserve due to disposal of subsidiaries	-	-	-	(11,476)	11,476	-	-	-	-	-	-	-
Q1	Disposal of equity instruments measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	2,384	-	(2,384)	-	-	-	-	-
D1	Net income for 2021	-	-	-	-	405,150	-	-	-	-	405,150	-	405,150
D3	Other comprehensive income (net of tax) for 2021	-	-	-	-	1,855	21,915	50,959	-	-	74,729	-	74,729
D5	Total comprehensive income in 2021	-	-	-	-	407,005	21,915	50,959	-	-	479,879	-	479,879
Z1	Balance as of December 31, 2021	$ 2,574,401	$ 204,852	$ 682,772	$ 46,790	$ 1,181,539	($ 207,603)	$ 219,827	$ -	$ -	$ 4,702,578	$ -	$ 4,702,578

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

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

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

From January 1 to December 31, 2021 and 2020

Unit: NT$ Thousands

Code		2021	2020
	Cash flows from operating activities		
A00010	Income before income tax from continuing operations	$ 545,706	$ 383,812
A00020	Income before income tax from discontinued operations	-	75,289
A10000	Net income before tax	545,706	459,101
A20010	Adjustments to reconcile income (loss):		
A29900	Net gain on disposal of subsidiaries	(145,987)	(99,306)
A21200	Interest income	(66,232)	(44,231)
A21300	Dividend income	(70,475)	(23,481)
A22500	Gains on disposal of property, plant and equipment	(22)	(67,568)
A20400	Net loss (gain) on financial assets at fair value through profit or loss	7,800	(37,265)
A20100	Depreciation expense	21,184	24,696
A24100	Foreign exchange gains	(16,165)	(33,664)
A20900	Finance costs	9,219	12,413
A20300	Expected credit loss (reversed gain)	8,232	(5,823)
A23200	Gain on disposal of associates accounted for using equity method	-	(3,510)
A24600	Impairment loss on investment properties	-	2,252
A22700	Loss (gain) on disposal of investment properties	(62)	1,838
A20200	Amortization expenses	295	1,011
A22300	Shares of loss of associates accounted for using equity method	-	426
A29900	Profit from lease modification	-	(208)
A30000	Changes in operating assets and liabilities, net		
A31125	Contract assets	(35,724)	(629,546)
A31130	Notes receivable	54,516	91,345
A31150	Accounts receivable	337,188	1,198,742
A31180	Other receivables	9,927	(72,918)
A31200	Inventories	-	10,288
A31200	Construction in Progress	-	(2,349)
A31230	Prepayments	(65,808)	361,732
A31240	Other current assets	(5,158)	(3,002)
A32125	Contract liability	193,659	184,136
A32130	Notes payable	28,017	(121,766)
A32150	Accounts payable	(160,506)	249,257
A32180	Other payables	(32,091)	6,174
A32230	Other current liabilities	(6,564)	(1,012)

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Code		2021	2020
A32990	Other non-current liabilities	($ 833)	($ 151)
A33000	Cash inflow generated from operations	610,116	1,457,611
A33100	Interest received	64,375	54,302
A33300	Interest paid	(8,609)	(12,365)
A33500	Income taxes paid	(89,493)	(210,908)
AAAA	Net cash inflow from operating activities	576,389	1,288,640
	Cash flows from investment activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(79,795)	-
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	4,597	17,648
B00040	Acquisition of financial assets at amortized cost	(425,000)	(292,741)
B00050	Disposal of financial assets at amortized cost	149,535	141,222
B00100	Acquisition of financial assets at fair value through profit or loss	(6,674,936)	(3,321,445)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	6,720,830	1,593,516
B01900	Net cash inflow from disposal of associates	-	12,250
B02200	Net cash outflow from disposal of subsidiaries	-	(6,858)
B02300	Net cash flows from disposal of subsidiaries	12,504	110,710
B02700	Acquisition of property, plant and equipment	(6,939)	(16,601)
B02800	Proceeds from disposal of property, plant, and equipment	127	89,447
B03800	Increase in refundable deposits	(173)	(4,140)
B04500	Acquisition of intangible assets	(1,600)	-
B05500	Proceeds from disposal of investment properties	19,221	47,618
B07600	Dividend received	63,315	18,904
B09900	Advance receipts from disposal of subsidiaries	-	531,083
BBBB	Net cash outflows from investing activities	(218,314)	(1,079,387)
	Cash flows from financing activities:		
C00100	Increase (decrease) in short-term loans	185,000	(38,608)
C00500	Increase in short-term bills payable	-	50,000
C00600	Decrease in short-term bills payable	-	(50,000)
C01700	Repayment of long-term loans	(450,000)	-
C03000	Increase (decrease) in guarantee deposits received	(22,607)	14,760
C04020	Repayment of lease principal	(13,570)	(11,646)
C04500	Cash dividends distributed	(205,952)	(133,720)
C04900	Purchase of treasury stock	-	(97,768)
CCCC	Net cash outflows from financing activities	(507,129)	(266,982)

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Code		2021	2020
DDDD	Effect of exchange rate changes on cash and cash equivalents	($ 15,990)	($ 14,099)
EEEE	Net decrease in cash and cash equivalents	(165,044)	(71,828)
E00100	Cash and cash equivalents at the beginning of year	2,618,337	2,690,165
E00200	Cash and cash equivalents at the end of period	$ 2,453,293	$ 2,618,337

Reconciliation of cash and cash equivalents at the beginning of period

Code		December 31, 2020	December 312019
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	11,304	87,403
E00200	Cash and cash equivalents at the beginning of year	$ 2,618,337	$ 2,690,165

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

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

Chien Kuo Construction Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

From January 1 to December 31, 2021 and 2020

(Amount in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company History

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

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

II. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved by the Board of Directors on March 24, 2022.

III. Application of New and Amended Standards and Interpretations

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

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

(II) FSC-endorsed IFRSs that are applicable from 2022 onward

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
"Annual Improvements to IFRSs 2018-2020”	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).

Besides the effects mentioned above, as of the date the consolidated financial statements were authorized for issue, the Group accessed that the amendments to other standards and interpretations shall not have significant impact on the financial position and financial performance.

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

New/Revised/Amended Standards and Interpretations	Effective Date Issued by 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
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS1 "Classify Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendment to IAS 8 "Definition of Accounting Estimation"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 4)

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

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

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

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

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

   The amendment was made to clarify that when liabilities are classified as non-current, the Group's right for deferred repayment of at least 12 months after the reporting period at the end of the reporting period must be evaluated. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendment also clarifies that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

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

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

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

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

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

   (1) Has been changed during the period by the Group, and this change results in a significant change in the information of the financial statements;

   (2) Was chosen properly by the Group from alternatives permitted by IFRS Standards;

   (3) Was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS Standard that specifically applies;

(4) Relates to an area for which the Group is required to make significant judgments and assumptions; or

(5) Relates to complex accounting practices, and users of the Company's financial statements would otherwise not understand the relating significant transactions, other events or conditions.

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

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

Besides the effects mentioned above, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the effects on its financial position and financial performance of amendments to the other standards and interpretations. Any relevant effect will be disclosed when the assessment is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed and issued into effect by FSC.

(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) Criteria for Classification of Current and Non-current Assets and Liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets that are expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents, excluding those that are restricted for being used to exchange or settle liabilities beyond 12 months after the balance sheet date.

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities to be settled within 12 months after the balance sheet date; and
3. Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date.

The Company classifies all other assets or liabilities that are not specified above as non-current.

The Group is engaged in the construction business, which has an operating cycle of over one year. The normal operating cycle applies when considering the classification of current or non-current for the construction related assets and liabilities.

(IV) Basis of consolidation

The consolidated financial statements include the financial reports of the Company and its wholly-owned entities. The consolidated statements of comprehensive income include the operating income/loss of the acquired or disposed subsidiaries from the date of acquisition to the date of disposal in the current period. The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those used by the Group. When compiling the consolidated financial statements, all transactions, account balances, income and expenses between the entities were eliminated. A subsidiary's total comprehensive income is attributed to the owners of the Company and non-controlling interests, even if non-controlling interests become having deficit balances in the process.

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

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

The Group takes the fair value of the residual investment in the former subsidiary at the date of loss of control to be the initially investment amount in an associate recognized.

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

(V) Foreign Currency

In preparing each individual financial statement, transactions denominated in a currency other than the entity's functional currency (i.e. foreign currency) are translated into the entity's functional currency by using the exchange rate at the date of the transaction before they are recorded by each entity.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences arising on the settlement or on translating of monetary items are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss, except for items whose changes in fair value are recognized in other comprehensive income, where the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the exchange rates prevailing on the transaction dates and are not re translated.

In preparing the consolidated financial statements, assets and liabilities of a foreign operation (i.e. a subsidiary or an associate of which the activities are based or conducted in a country or currency other than those of the Company) are translated into New Taiwan Dollars by using the exchange rates at each balance sheet date. Income and expense items are translated using the average exchange rates of the current period, with exchange differences arising therefrom recognized in other comprehensive income and attributed respectively to owners of the Company and to non-controlling interests.

Upon disposal by the Group of its ownership interests in a foreign operation, all cumulative exchange differences that are attributable to owners of the Company and relating to such foreign operation are to be reclassified to profit or loss.

(VI) Property, Plant, and Equipment

Property, Plant and Equipment (PP&E) are stated at cost and subsequently measured at cost less accumulated depreciation and impairment.

The depreciation of PP&E in its useful life is made on a straight line basis for each major part/component separately. The Group reviews the estimated useful lives, residual value and depreciation methods at least once at each financial year end and applies the changes in accounting estimates prospectively.

When derecognizing PP&E, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in loss or profit.

(VII) Investment Property

Investment property is real estate held for rent or capital appreciation or both.

Investment property is initially measured at costs (including transaction costs) and is subsequently measured at costs less accumulated depreciation and accumulated impairment losses. Depreciation is provided on a straight line basis by the Group.

Investment property under construction is recognized at cost less accumulated impairment loss. Costs include professional service fee and borrowing costs that are eligible for capitalization. Depreciation on such asset is recognized when it reaches the condition for expected use.

In the event of derecognition of an investment property, the difference between its net disposal proceeds and carrying amount is recognized in loss or profit.

(VIII) Impairment of assets related to property, plant and equipment and right of use assets

On each balance sheet date, the Group evaluates whether there is any indication that its property, plant and equipment and right of use assets have suffered an impairment loss. If there is an indication that an asset may be impaired, then the Group estimates the recoverable amount of such asset. If it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the fair value minus cost of sales or the value in use, whichever is higher. If the carrying amount of an individual asset or a cash generating unit is less than its recoverable amount, the carrying amount is reduced to its recoverable amount, with an impairment loss recognized in profit or loss.

If an impairment loss is reversed subsequently, the carrying amount of the asset or cash generating unit is raised to its recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversal of impairment loss is recognized in profit or loss.

(IX) Non-current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amounts are expected to be recovered mainly through sale rather than continuous usage. Non-current assets qualified for such classification must be available for immediate sale in their present condition and its sale must be highly probable. A sale is considered highly probable if management at an appropriate level commits to a plan to sell and such sale is expected to be completed within 12 months after the classification date.

If the sale will result in a loss of control over a subsidiary, all assets and liabilities of such subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in the former subsidiary after such sale.

Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated.

(X) Financial Instruments

Financial assets and liabilities are recognized in the balance sheet when the Group becomes a party to the contract of financial instrument.

Financial assets and liabilities are recognized initially based on fair value plus transaction costs that could be directly attributed to their acquisition or issuance of such financial assets or financial liabilities, if they are not measured at fair value through profit or loss. For financial assets and liabilities that are measured at fair value through profit or loss, such transaction costs are recognized immediately in profit or loss.

1. Financial assets

Regular trading of financial assets is recognized or derecognized in accordance with trade date accounting.

(1) Types of measurement

Financial assets held by the Group comprise financial assets measured at fair value through profit or loss (FVTPL), financial assets at amortized cost, investments in debt instruments measured at fair value through other comprehensive income (FVTOCI), and investments in equity instruments measured at FVTOCI.

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

Financial assets at fair value through profit or loss are financial assets mandatorily measured at fair value through profit or loss. Such assets include investments in equity instruments that are not designated by the Group to be measured at fair value through other comprehensive income and investments in debt instruments that fail to meet the criteria as to be measured at amortized cost or at fair value through other comprehensive income.

Such assets are measured at fair value, of which any dividends and interest accrued are recognized as other revenue and remeasurement gains or losses are recognized in profit or loss. Please refer to Note XXX for the determination of fair value.

B. Financial Assets at Amortized Cost

When the Group's investments in financial assets satisfy the following two conditions simultaneously, they are classified as financial assets measured at amortized cost:

a. Held under a business model whose purpose of holding such financial assets is to collect the contractual cash flows; and

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

Subsequent to initial recognition, such assets (including cash and cash equivalents, bills with repurchase agreement, restricted term deposit, notes receivable, accounts receivable and other receivables that are measured at amortized cost) are measured at the amortized cost equal to the gross carrying amount as determined using the effective interest method less any impairment loss; any foreign exchange gain or loss arising therefrom is recognized in profit or loss.

Except for the following two circumstances, interest revenue is calculated by multiplying effective interest rate by the gross carrying amount of such assets:

a. In the case of purchased or originated credit impaired financial assets, interest revenue is recognized by applying the credit adjusted effective interest rate to the amortized cost.

b. In the case of a financial asset that is not a purchased or originated credit impaired financial asset but subsequently has become credit impaired, interest revenue is calculated by applying the effective interest rate to the amortized cost.

Credit impaired financial assets are those where the issuer or debtor has experienced major financial difficulties or defaults, the debtor is likely to claim bankruptcy or other financial restructuring, or disappearance of an active market for the financial asset due to financial difficulties.

Cash equivalents comprise time deposits that will mature within 6 months after the acquisition date, that are highly liquid and readily convertible to known amount of cash, and that are subject to an insignificant risk of changes in value. Cash equivalents are used to satisfy short term cash commitments.

C. Investment in equity instruments measured at fair value through other comprehensive income (FVTOCI)

The Group may, at initial recognition, make an irrevocable election to designate an equity instrument that is neither held for trading nor contingent consideration arising from a business combination to be measured at FVTOCI.

Investments in an equity instrument measured at FVTOCI are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss upon their disposal; instead, they will be transferred to retained earnings.

Dividends of investments in equity instruments measured at FVTOCI are recognized in profit or loss when the Group's right to receive payment is established, unless such dividends clearly represent the recovery of a part of the investment cost.

(2) Impairment of financial assets and contract assets

The Group evaluates credit losses based on expected credit loss (ECL) at each balance sheet date for financial assets at amortized cost (including accounts receivable), investments in debt instruments at fair value through other comprehensive income, and impairment losses on contract assets.

Loss allowances are recognized against accounts receivable and contract assets based on the expected credit loss during the term of duration. For all other financial instruments, the Group recognizes their loss allowance at an amount equal to 12 month expected credit losses if their credit risk has not increased significantly since initial recognition, or otherwise their lifetime expected credit losses.

An ECL is a weighted average credit loss with the risks of default as weights. The 12 month ECL on a financial instrument represents the portion of its lifetime ECL that is expected to result from possible default events within 12 months after the reporting date, whereas the lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument.

Through the loss allowance account, the carrying amount of all financial assets is reduced for the impairment loss, except for the investment in debt instruments measured at FVTOCI for which the impairment loss is recognized in other comprehensive income and does not reduce the carrying amount.

(3) Derecognition of financial assets

The Group derecognizes financial assets when the contractual rights to the cash inflow from the asset expire or when the company transfers all the risks and rewards of ownership of the financial assets to other enterprises substantially.

On derecognition of a financial asset measured at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. On derecognition of equity instruments measured at fair value through other comprehensive income in its entirety, the accumulated profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instruments

Equity instruments issued by the Group are recognized at the acquisition price less direct issue costs.

The repurchase of equity instruments issued by the Company is recognized in equity as a deduction. The purchase, sale, issue or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

All financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method.

When a financial liability is derecognized, the difference between the carrying amount and the consideration paid (including any non-cash asset transferred or liability assumed) is recognized in profit or loss.

4. Derivatives

If derivatives are embedded in the asset host contract within the scope of IFRS 9 "Financial Instruments," the classification of financial assets is determined by the overall agreement. If derivatives are embedded in the asset host contract out of the scope of IFRS 9 (e.g., embedded in the host contract of financial liabilities), and if the embedded derivatives meet the definition of a derivative instrument of which their risks and characteristics are not closely related to those of the host contract, and the hybrid contracts are not measured at fair value through profit or loss, the derivatives are recognized as separate derivatives.

(XI) Hedge Accounting

The Group designates a portion of hedging instruments (including derivatives, embedded derivatives, and non-derivatives for hedging exchange rate risks) as cash flow hedges. Foreign exchange risk of a firm commitment is hedged with cash flow hedges.

<u>Cash Flow Hedges</u>

For a hedging instrument designated as and qualified for a cash flow hedge, the effective portion of fair value changes is recognized in other comprehensive income, whereas the ineffective portion is immediately recognized in profit or loss.

When a hedged item is recognized in profit or loss, the amount previously recognized in other comprehensive income is reclassified to profit or loss for the same period and recognized in the consolidated statements of comprehensive income under items associated with the hedged item. However, in case that a hedge of a forecast transaction will result in recognition of a non-financial asset or non-financial liability, the amount previously recognized in other comprehensive income is transferred from equity to the original cost of such a non-financial asset or non-financial liability.

The Group prospectively suspends hedge accounting only when the hedge relationship ceases to meet the criteria of hedge accounting, i.e., when a hedging instrument is expired, sold, terminated, or executed. Prior to the occurrence of a forecast transaction, the amount that had previously been recognized in other comprehensive income in the period during which the hedge still remained effective is recognized in equity. However, in case the forecast transaction is no longer expected, the amount that had been previously recognized in other comprehensive income is immediately recognized in profit or loss.

(XII) Revenue Recognition

After identifying the performance obligations of contracts with the customers, the Group allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are met.

1. Revenue from the sale of goods

   Revenue from the sale of goods comes from sales of concrete. When concrete is delivered to a customer's specified location, the customer has the right to use the product and bears the risk of obsolescence. Therefore, revenue and accounts receivable are recognized at that time.

2. Revenue from construction contracts

   For real estate construction contracts, the Group recognizes revenue over the construction period and measures the progress on the basis of costs incurred relative to the total expected costs because costs incurred by the construction works are directly related to the progress in satisfying a performance obligation. A contract asset is recognized during the construction and is reclassified to accounts receivable at the point at which it is invoiced to the customer. If the payment received exceeds the revenue recognized to date, the Group recognizes a contract liability for the difference. Certain payments retained by the customer as specified in the contract is intended to ensure that the Group adequately completes all its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

   If the outcome of the performance obligations cannot be measured reliably, construction revenue is recognized only to the extent of the expenses incurred for satisfaction of performance obligations that are expected to be recovered.

(XIII) Leases

The Group evaluates whether a contract is (or includes) a lease on the contract establishment date.

1. The Group as lessor

   Leases in which the lessee assumes substantially all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

   Under operating leases, lease payments after deducting lease incentives are recognized as revenue on a straight line basis over the relevant lease term.

2. The Group as lessee

   Except that payments for leases of low value assets and short term leases to which exemption is applicable are recognized as expenses on a straight line basis over the lease term, other leases are recognized as right of use assets and lease liabilities on the lease start date.

   Right of use assets are initially measured at cost (including the initially measured amount of lease liabilities, the lease payments paid before the lease start date less the lease incentives received, the initial direct cost, and the estimated cost of restoring underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and the re measurement of the lease liabilities are adjusted accordingly. Right of use assets are separately presented on the consolidated balance sheets.

Right of use assets are depreciated on a straight line basis from the lease start date to the end of the useful life or the expiration of the lease term, whichever is earlier.

A lease liability is initially measured at the present value of lease payments (including fixed payments and in substance fixed payments). When the interest rate implicit in a lease can be readily determined, lease payments are discounted using the interest rate. If the interest rate implicit in a lease cannot be easily determined, lease payments are discounted using the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expenses are amortized over the lease term. In the case that future lease payments change as a result of a change in the lease term, the Group remeasures the lease liability and correspondingly adjusts the right of use asset, except in the case when the carrying amount of the right of use asset has reduced to zero, in which case any residual remeasured amount shall be recognized in profit or loss. Lease liabilities are separately presented on the consolidated balance sheets.

(XIV) Employee benefits

1. Short-term employee benefits

   Related liabilities for short term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

   Payments that should be contributed to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service.

   The defined benefit cost under defined benefit retirement plans (including service cost, net interest, and the remeasurement amount) are calculated based on the projected unit credit method. The cost of services (including the cost of services of the current period and the cost of services of the previous period, and profit and loss from repayment) and the net interest of the net defined benefit liability (asset) are recognized as employee benefit expenses as they occur. Remeasurement (comprising actuarial gains and losses, and return on plan assets net of interests) is recognized in other comprehensive income and included in retained earnings, and is not recycled to profit or loss in subsequent periods.

   The net defined benefit liabilities (assets) are the shortfall (surplus) of the defined benefit retirement plan. A net defined benefit asset shall not exceed the present value of the contributions to be refunded from the plan, or the reductions in future contributions.

3. Termination benefits

   The Group will recognize the termination benefits liability when it is no longer able to revoke the termination benefits offer or when it recognizes the related restructuring costs (whichever is earlier).

(XV) Income Tax

Income tax expenses are the sum of current income tax and deferred income tax.

1. Current-period income tax

   An extra tax is levied on the unappropriated earnings pursuant to the Income Tax Act of the Republic of China and is recorded as income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to income tax payable from previous years are recognized in the income tax of current period.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income.

Deferred tax liabilities are generally recognized based on all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that there is taxable income to be applied to temporary difference reductions or loss credits.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences associated with such investment and equity, when it is probable that sufficient taxable income will be available to realize such temporary difference, a deferred tax asset is recognized, but only to the extent of the amount that is expected to be reversed in the foreseeable future.

The carrying amount of the deferred income tax assets is re-examined at each balance sheet date and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. The carrying amount of items that were not previously recognized as a deferred tax asset is also reviewed at each balance sheet date and is raised when it becomes probable that sufficient taxable profit will be available in the future to recover all or part of the asset.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected realization of assets or settlement of liabilities. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. Measurement of deferred income tax liabilities and assets is a reflection of the tax consequences resulting from the means by which the Group expects to recover or settle the carrying amount of its assets and liabilities at the balance sheet date.

3. Current and deferred taxes for the year

Current income tax and deferred income tax are recognized in profit or loss, except that for items associated with other comprehensive income, such taxes are recognized in other comprehensive income.

V. The Primary Sources of Uncertainties in Major 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. 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

	December 31, 2021	December 31, 2020
Cash on hand and revolving funds	$ 2,645	$ 2,670
Bank checks and demand deposits	1,035,906	1,155,328
Cash equivalents (time deposits with original maturity date within 6 months)		
Bank time deposits	1,414,742	1,449,035
	$ 2,453,293	$ 2,607,033

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

	December 31, 2021	December 31, 2020
Time deposits	0.12%～3.40%	0.40%～3.40%

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

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

	December 31, 2021	December 31, 2020
Mandatorily measured at fair value through profit or loss		
Current		
Derivative financial assets		
- Structured note (I)	$ 391,013	$ 399,851
Non-derivative financial assets		
- Structured deposits	103,710	465,688
- Domestic listed stocks	305,807	75,770
- Foreign listed stocks	119,415	-
- Fund beneficiary certificates	892,343	803,707
- Bank debentures	17,756	-
	$ 1,830,044	$ 1,745,016
Non-current		
- Domestic unlisted stocks	$ 10,000	$ -
- Private equity funds	78,042	67,355
	$ 88,042	$ 67,355

(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 a fixed interest, the note will be converted into stocks holding the underlying securities at the exercise price. Contracts not yet maturing are as follows:

December 31, 2021

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

December 31, 2020

Subject Securities	Amount (NT$ Thousands)	Maturity Date	Interest Rate	Exercise Price
ADOBEINC. (ADBE)	USD 1,000	April 9, 2021	10%	USD 396.1580
ADVANCEDMICRODEVICES,INC. (AMD)	USD 1,000	March 18, 2021	12%	USD 72.7982
SALESFORCE.COMINC (CRM)	USD 1,000	February 5, 2021	8%	USD 206.2025
NETFLIX,INC. (NFLX)	USD 1,000	March 31, 2021	12%	USD 456.2408
NETFLIX,INC. (NFLX)	USD 1,000	April 9, 2021	10%	USD 401.5073
PAYPALHOLDINGS,INC. (PYPL)	USD 1,000	April 9, 2021	10%	USD 172.0163
QUALCOMMINCORPORATED (QCOM)	USD 1,000	April 9, 2021	10%	USD 121.1840
SEALIMITED (SE)	USD 1,000	March 18, 2021	10%	USD 146.5504
SHOPIFYINC (SHOP)	USD 1,000	March 18, 2021	10%	USD 841.6549
ISHARESSILVERTRUST (SLV)	USD 1,000	March 3, 2021	8%	USD 18.9654
SQUARE,INC. (SQ)	USD 1,000	March 18, 2021	12%	USD 173.1476
TESLA,INC. (TSLA)	USD 1,000	April 9, 2021	10%	USD 341.2078
TESLA,INC. (TSLA)	USD 1,000	March 18, 2021	10%	USD 390.5603
TAIWANSEMICONDUCTORMANUFACTURINGCOLTD (TSM)	USD 1,000	March 18, 2021	10%	USD 87.1565

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

	December 31, 2021	December 31, 2020
Investment in equity instruments		
Domestic listed stocks		
Current	$ 23,126	$ 24,569
Non-current	525,553	398,003
	$ 548,679	$ 422,572

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 XXXII.

IX. Financial Assets at Amortized Cost

	December 31, 2021	December 31, 2020
Current		
Time deposits with original maturity date over six months	$ 425,000	$ -
Restricted bank deposits (1)	117,446	63,364
Restricted bank term deposits (1)	21,446	199,360
Restricted bills with repurchase agreement (1)	10,010	30,017
	$ 573,902	$ 292,741
Non-current		
Pledged certificate of deposit	$ -	$ 5,696

(1) The above restricted financial assets are held by the Group in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act, and their use is subject to the restrictions of the Management, Utilization, and Taxation of Repatriated Offshore Funds Act.

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

	December 31, 2021	December 31, 2020
Time deposits with original maturity date over six months	0.22%~0.23%	—
Restricted bank term deposits	0.18%~0.25%	0.35%
Restricted bills with repurchase agreement	0.19%	0.63%~0.75%
Pledged certificate of deposit	—	0.50%

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

X. Notes Receivable and Accounts Receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 34,536	$ 89,256
Accounts receivable		
Measured at amortized cost		
Total carrying amount	$ 312,055	$ 659,220
Less: Allowance losses	(70,693)	(74,839)
	$ 241,362	$ 584,381

Accounts receivable

The credit policy of the Group is mainly contract-based, and the notes receivable and accounts receivable are not interest-bearing. To minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual account receivable on the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. As such, the Group's management concludes that the credit risk has been significantly reduced.

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

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

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

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

	December 31, 2021	December 31, 2020
Not overdue	$ 34,536	$ 89,256

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

	December 31, 2021	December 31, 2020
Not overdue	$ 205,591	$ 518,103
Less than 180 days	7,340	64,019
181~360 days	14,148	16,134
More than 361 days	84,976	60,964
Total	$ 312,055	$ 659,220

Changes in allowance losses for accounts receivable are as follows:

	2021	2020
Balance - beginning of year	$ 74,839	$ 103,207
Add: Impairment loss recognized (reversed)	8,232	(5,823)
Less: Write-off for the period	(12,027)	-
Less: Reclassification of non-current assets held for sale	-	(23,459)
Exchange difference	(351)	914
Balance - end of year	$ 70,693	$ 74,839

XI. Inventories (for construction business)

	December 31, 2021	December 31, 2020
Xinzhi Section, Xinzhuang District	$465,926	$465,926

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 XVIII and XXXII.

XII. Prepayments

	December 31, 2021	December 31, 2020
Prepayments for construction contracts	$105,689	$ 37,210
Tax overpaid retained	4,973	7,926
Prepaid insurance	3,003	4,122
Others	5,746	4,333
	$119,411	$ 53,591

XIII. Subsidiary

(I) Subsidiaries included in the consolidated financial statements

The entities of the consolidated financial statements are as follows:

Name of Investor	Subsidiary Company Name	Business Activities	Shareholding Percentage December 31, 2021	Shareholding Percentage December 31, 2020	Explanation
The Company	Golden Canyon Limited (Golden Canyon)	Reinvestment	100%	100%	
	Silver Shadow Holding Limited (Silver Shadow)	Reinvestment	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%	Please refer to Note XXVII.
	Chien Kuo Building Co., Ltd. (Chien Kuo Building)	Building construction commission; public housing lease and sale	100%	100%	
	Anping Property Co., Ltd. (Anping Property)	Housing and building development and lease	-	-	(Note 1)
	Golden Canyon Venture Capital Investment Co., Ltd. (Golden Canyon Venture Capital)	Venture capital	100%	100%	(Note 2)
	Golden Canyon II Venture Capital Investment Co., Ltd. (Golden Canyon Venture Capital II)	Venture capital	100%	-	(Note 3)
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%	
	CK Asia (Shanghai) Information Technology Co., Ltd. (Shanghai Information)	Computer software technology development and consultation	100%	100%	
	Yangzhou Chien Yung Concrete Co., Ltd. (Yangzhou Chien Yung)	Production and sale of concrete and concrete products	100%	100%	
	Suzhou Chien Hua Concrete Co., Ltd. (Suzhou Chien Hua)	Production and sale of concrete and concrete products	-	-	Please refer to Note XXVI.
	Wuxi Chien Bang Concrete Co., Ltd. (Wuxi Chien Bang)	Production and sale of concrete and concrete products	-	100%	Please refer to Note XXVI.
	Chien Ya (Yangzhou) Technology Consultant Co., Ltd. (Chien Ya Yangzhou)	Computer software technology development and consultation	-	100%	(Note 5)
	Chien Ya (Suzhou) Information Technology Consultant Co., Ltd. (Chien Ya Suzhou)	Computer software technology development and consultation	-	100%	(Note 6)
	Chien Ya (Wuxi) Information Technology Consultant Co., Ltd. (Chien Ya Wuxi)	Computer software technology development and consultation	-	100%	(Note 7)

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.

(5) The liquidation of Chien Ya Yangzhou was completed on September 27, 2021.

(6) The liquidation of Chien Ya Suzhou was completed on November 16, 2021.

(7) The liquidation of Chien Ya Wuxi was completed on August 11, 2021.

(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 XXVI) 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 for 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:

	2020
Sales revenue	$ 450,448
Cost of goods sold	(416,587)
Gross profit	33,861
Selling and marketing expenses	(16,736)
General and administrative expenses	(18,945)
Net operating income (loss)	(1,820)
Other income	6,213
Other gains and losses	71,498
Finance costs	(602)
Income before income tax	75,289
Income tax expense	(2,520)
Profit from discontinued operations	$ 72,769
Profit from discontinued operations are attributable to	
Owners of the parent	$ 72,769
Non-controlling interests	-
	$ 72,769
Cash flows	
Operating activities	$ 889,590
Investing activities	102,699
Financing activities	(41,608)
Net cash flows	$ 950,681

(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. and signed an equity transfer agreement on August 12, 2020. 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 XXVI.

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	$ 353,954
Accounts payable	$ 9,693
Other payables	10,196
Contract liability	9,338
Other current liabilities	1,047
Liabilities directly associated with non-current assets held for sale	$ 30,274
Equity directly associated with non-current assets held for sale	($ 83,092)

XV. Property, Plant, and Equipment

	Freehold land	Buildings	Machinery equipment	Transportation equipment	Office equipment	Leasehold improvements	Other Equipment	Total
Cost								
Balance as of January 1, 2020	$ 15,742	$ 76,893	$ 83,048	$ 30,313	$ 7,822	$ 17,462	$ 59,080	$ 290,360
Addition	-	4,728	2,364	200	39	367	3,119	10,817
Disposal	-	(12,098)	(33,423)	(1,754)	(2,799)	(115)	(37,257)	(87,446)
Reclassified to held for sale	-	(76,046)	(51,554)	(25,336)	(1,577)	-	(14,207)	(168,720)
Reclassification of prepayment for equipment	-	7,092	-	-	-	-	-	7,092
Net exchange differences	-	1,173	645	488	42	-	92	2,440
Balance as of December 31, 2020	$ 15,742	$ 1,742	$ 1,080	$ 3,911	$ 3,527	$ 17,714	$ 10,827	$ 54,543
Accumulated depreciation								
Balance as of January 1, 2020	$ -	$ 37,235	$ 59,363	$ 25,857	$ 6,149	$ 7,329	$ 28,385	$ 164,318
Depreciation expense	-	2,199	2,432	1,300	307	3,048	2,299	11,585
Disposal	-	(7,858)	(32,038)	(554)	(2,016)	(115)	(22,986)	(65,567)
Reclassified to held for sale	-	(30,830)	(29,607)	(25,185)	(1,303)	-	(3,697)	(90,622)
Net exchange differences	-	456	355	420	41	-	(20)	1,252
Balance as of December 31, 2020	$ -	$ 1,202	$ 505	$ 1,838	$ 3,178	$ 10,262	$ 3,981	$ 20,966
Net worth as of December 31, 2020	$ 15,742	$ 540	$ 575	$ 2,073	$ 349	$ 7,452	$ 6,846	$ 33,577
Cost								
Balance as of January 1, 2021	$ 15,742	$ 1,742	$ 1,080	$ 3,911	$ 3,527	$ 17,714	$ 10,827	$ 54,543
Addition	-	-	1,934	1,538	886	174	2,407	6,939
Disposal	-	-	-	(149)	(196)	(115)	-	(460)
Net exchange differences	-	-	-	(20)	(13)	-	-	(33)
Balance as of December 31, 2021	$ 15,742	$ 1,742	$ 3,014	$ 5,280	$ 4,204	$ 17,773	$ 13,234	$ 60,989
Accumulated depreciation								
Balance as of January 1, 2021	$ -	$ 1,202	$ 505	$ 1,838	$ 3,178	$ 10,262	$ 3,981	$ 20,966
Depreciation expense	-	48	390	671	212	3,068	2,165	6,554
Disposal	-	-	-	(44)	(196)	(115)	-	(355)
Net exchange differences	-	-	-	(10)	(13)	-	-	(23)
Balance as of December 31, 2021	$ -	$ 1,250	$ 895	$ 2,455	$ 3,181	$ 13,215	$ 6,146	$ 27,142
Net worth as of December 31, 2021	$ 15,742	$ 492	$ 2,119	$ 2,825	$ 1,023	$ 4,558	$ 7,088	$ 33,847

Depreciation expenses of the Group's property, plant and equipment were computed by significant component using the straight line method over the following estimated useful lives:

Buildings	
Main buildings of plant	61 years
Rooftop construction	22 years
Leasehold improvements	3~6 years
Machinery equipment	7 years
Transportation equipment	6 years
Office equipment	3~4 years
Other Equipment	4~9 years

XVI. Lease Agreement

(I) Right-of-use assets

	December 31, 2021	December 31, 2020
Carrying amount of right-of-use assets		
Land	$ -	$ -
Buildings	20,001	23,543
Transportation equipment	3,283	1,506
	$ 23,284	$ 25,049

	2021	2020
Additions to right-of-use assets	$ 11,868	$ 13,318
Depreciation expense of right-of-use assets		
Land	$ -	$ 239
Buildings	11,821	9,849
Transportation equipment	1,812	1,947
	$ 13,633	$ 12,035

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 2021 and 2020.

(II) Lease liabilities

	December 31, 2021	December 31, 2020
Carrying amount of lease liabilities		
Current (listed as other current liabilities)	$ 14,150	$ 9,408
Non-current (listed as other non-current liabilities)	$ 9,512	$ 15,955

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

	December 31, 2021	December 31, 2020
Land	—	1.65%
Buildings	1.65%~4.57%	1.65%
Transportation equipment	3.00%	3.00%

(III) Other lease information

	2021	2020
Short-term lease expense	$ 10,334	$ 6,360
Total cash outflow on lease	$ 23,904	$ 18,006

XVII. Investment Property

	2021	2020
Cost		
Balance - beginning of year	$ 145,086	$ 207,348
Disposal	(24,479)	(62,262)
Balance - end of year	$ 120,607	$ 145,086
Accumulated depreciation and impairment		
Balance - beginning of year	$ 22,443	$ 31,921
Depreciation expense	997	1,076
Impairment loss	-	2,252
Disposal	(5,320)	(12,806)
Balance - end of year	$ 18,120	$ 22,443
Net amount - end of year	$ 102,487	$ 122,643
Fair Value	$ 131,795	$ 152,426

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 XXXII.

XVIII. Loans

(I) Short-term loans

	December 31, 2021	December 31, 2020
Unsecured loans		
Credit line loans	$200,000	$ 15,000
Annual interest rate (%) (Effective interest rate)	0.94%～0.99%	1.45%

(II) Long-term loans

	December 31, 2021	December 31, 2020
Secured loans (Note XXXII)		
Bank loans (1)	$350,000	$350,000
Less: Current portion	(350,000)	-
Subtotal	-	$350,000
Unsecured loans		
Long-term commercial paper payables (2)	150,000	600,000
Less: Discount on long-term commercial papers payable	(138)	(858)
	149,862	599,142
Less: Current portion	(149,862)	(449,292)
Subtotal	-	149,850
Long-term loans	$ -	$499,850
Annual interest rate (effective rate)	1.35%～1.36%	1.35%～1.68%

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

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

December 31, 2021

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

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	1.65%	None
Entie Commercial Bank	150,000	(242)	149,758	1.68%	None
Mega International Commercial Bank	150,000	(150)	149,850	1.36%	None
	$ 600,000	($ 858)	$ 599,142		

XIX. 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.

XX. Post retirement Benefit Plans

(I) Defined Contribution Plan

The pension system applicable to the Group under the "Labor Pension Act" is a defined contribution plan under government administration, to which the Group contributes 6% of employees' monthly salary and wages to their personal accounts at the Bureau of Labor Insurance.

(II) Defined Benefit Plans

The Group's pension system under the "Labor Standards Act" is a defined benefit pension plan managed by the government. Pension payment to an employee is calculated based on her/his number of service years and average salary/wage of the last 6 months prior to approved retirement. The Group contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to a retirement fund that is deposited with Bank of Taiwan under the name of The Supervisory Committee of Workers' Retirement Fund. Before the end of year, if the balance at the retirement fund is not sufficient to pay employees who will meet the retirement criteria next year, a lump sum deposit for the shortfall should be made before the end of March of the following year. The retirement fund is managed by the Bureau of Labor Funds, Ministry of Labor, and the Group does not have rights to influence its investment management strategy.

The funds for defined benefit plans included in the consolidated balance sheets are as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	$ 33,358	$ 38,752
Fair value of plan assets	(33,101)	(35,806)
Net defined benefit liabilities (listed as other non-current liabilities)	$ 257	$ 2,946

Changes in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair Value of plan assets	Net defined benefit liabilities
January 1, 2020	$ 36,027	($ 33,681)	$ 2,346
Service costs			
Current service cost	333	-	333
Interest expense (income)	250	(236)	14
Recognized in profit and loss	583	(236)	347
Remeasurement			
Return on plan assets (excluding amounts that are included in net interest)	-	(1,206)	(1,206)
Actuarial loss - Experience adjustments	852	-	852
Actuarial gain - Change in demographic and financial assumptions	1,290	-	1,290
Recognized in other comprehensive income	2,142	(1,206)	936
Contribution from employer	-	(683)	(683)
December 31, 2020	38,752	(35,806)	2,946
Service costs			
Current service cost	303	-	303
Interest expense (income)	115	(107)	8
Recognized in profit and loss	418	(107)	311
Remeasurement			
Return on plan assets (excluding amounts that are included in net interest)	-	(517)	(517)
Actuarial loss - Experience adjustments	(875)	-	(875)
Actuarial gain - Change in demographic and financial assumptions	(926)	-	(926)
Recognized in other comprehensive income	(1,801)	(517)	(2,318)
Contribution from employer	-	(682)	(682)
Benefits paid	(4,011)	4,011	-
December 31, 2021	$ 33,358	($ 33,101)	$ 257

The amounts recognized in profit or loss for the defined benefit plans are summarized by function as follows:

	2021	2020
By function		
Operating costs	$ 298	$ 202
Operating expenses	13	145
	$ 311	$ 347

The Group has the following risks owing to the implementation of the pension system under the "Labor Standards Act":

1. Investment risk: The pension funds are invested in local and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor, or through its designated agencies. However, the rate of return on plan assets shall not be less than the average interest rate on a two year time deposit published by the local banks.
2. Interest rate risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation. However, the return on the debt investments of the plan assets will also increase. Those two will partially offset each other.
3. Payroll risk: The present value of the defined benefit obligation is calculated by reference to the future salary of plan participants. As such, an increase in the salary of the plan participants will raise the present value of the defined benefit obligation.

The present value of the Group's defined benefit obligations is calculated by certified actuaries and the major assumptions on the measurement date are as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.67%	0.30%
Expected growth rate of salary	2.00%	2.00%

If reasonable changes occur in major actuarial assumptions respectively with other assumptions unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

	December 31, 2021	December 31, 2020
Discount rate		
Increase by 0.25%	($ 648)	($ 813)
Decrease by 0.25%	$ 667	$ 838
Expected growth rate of salary		
Increase by 0.25%	$ 656	$ 822
Decrease by 0.25%	($ 641)	($ 802)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

	December 31, 2021	December 31, 2020
Expected contribution amounts within 1 year	$ 621	$ 680
Average maturity period of defined benefit obligations	7 years	8 years

XXI. Equity

(I) Capital

	December 31, 2021	December 31, 2020
Number of authorized shares (in 1,000 shares)	500,000	500,000
Authorized capital	$ 5,000,000	$ 5,000,000
Number of issued and paid shares (in 1,000 shares)	257,440	257,440
Issued capital	$ 2,574,401	$ 2,574,401

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

	December 31, 2021	December 31, 2020
May be used to offset deficits, appropriated as cash dividends or transferred to capital (1)		
Stock issuance premium	$ 190,053	$ 190,053
Treasury stock transactions	13,528	13,528
Difference between prices of shares acquired from subsidiaries and book value	993	993
May only be used to offset deficits		
Adjustment in additional paid-in capital of subsidiaries using equity method	73	73
May not be used for any purpose		
Employee stock options	205	205
	$ 204,852	$ 204,852

(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 XXIII (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 regular shareholders' meeting on July 22, 2021, and June 23, 2020, and respectively resolved the 2020 and 2019 earnings distribution proposals as follows:

	Proposal of Earnings Appropriation		Dividends per Share (NT$)	
	2020	2019	2020	2019
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

The appropriation of earnings and dividends per share for 2021 proposed by the Board of Directors on March 24, 2022 are as follows:

	Proposal of Earnings Appropriation	Dividends per Share (NT$)
Legal reserve	$ 42,086	
Reversal of special reserve	(34,566)	
Cash dividends	257,440	$ 1.0

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

(IV) Treasury stock

Accounting subject	Repurchase for Cancellation (In 1,000 Shares)
Number of shares as of January 1, 2020	$ -
Increase for the year	10,000
Cancellation for the year	(10,000)
Number of shares as of December 31, 2020	$ -

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.

XXII. Revenue

(I) Revenue from contracts with customers

	2021	2020
Revenue from construction contracts	$ 5,326,133	$ 6,762,457
Others	298	361
	$ 5,326,431	$ 6,762,818

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

	December 31, 2021		December 31, 2020	
	Construction Segment	Discontinued Segment	Construction Segment	Discontinued Segment
Accounts receivable (Note X)	$ 236,691	$ 4,671	$ 401,058	$ 183,323
Contract assets				
Real estate construction	$ 783,730	$ -	$ 819,682	$ -
Construction retainage receivable	839,879	-	768,203	-
Less: Allowance losses	(1,514)	-	(1,514)	-
	$ 1,622,095	$ -	$ 1,586,371	$ -
Contract liability				
Real estate construction	$ 287,695	$ -	$ 93,909	$ -

(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 December 31, 2021 are as follows:

Anticipated years to recognize revenue	December 31, 2021
2022~2027	$ 15,357,210

XXIII. Net Income from Continuing Operations

(I) Other income

	2021	2020
Interest income	$ 66,232	$ 44,231
Dividend income	70,475	23,481
Others	5,963	7,549
Less: Discontinued operations	-	(6,213)
	$142,670	$ 69,048

(II) Other gains and losses

	2021	2020
Net gain on disposal of subsidiaries	$145,987	$ 99,306
Loss on foreign currency exchange, net	(5,192)	(18,815)
Gain (loss) on valuation of financial assets at fair value through profit or loss	(7,800)	37,265
Gain on disposal of associates, net	-	3,510
Impairment loss on investment properties	-	(2,252)
Gain (loss) on disposal of investment properties	62	(1,838)
Gains on disposal of property, plant and equipment	22	67,568
Litigation compensation loss	-	(2,394)
Others	(6,844)	(5,722)
Less: Discontinued operations	-	(71,498)
	$126,235	$105,130

(III) Finance costs

	2021	2020
Interest expenses		
Interest on bank loans	$ 8,702	$ 11,851
Lease liabilities	517	562
Less: Discontinued operations	-	(602)
	$ 9,219	$ 11,811

(IV) Depreciation and amortization expenses

	2021	2020
Property, Plant, and Equipment	$ 6,554	$ 11,585
Right-of-use assets	13,633	12,035
Investment Property	997	1,076
Intangible assets	295	1,011
Total	$ 21,479	$ 25,707
Depreciation expenses by function		
Operating costs	$ 2,455	$ 1,856
Operating expenses	17,770	15,955
Other gains and losses	959	1,038
Discontinued operations	-	5,847
	$ 21,184	$ 24,696
Amortization expenses by function		
Operating costs	$ 3	$ -
Operating expenses	292	1,011
	$ 295	$ 1,011

(V) Employee benefits expenses

	2021	2020
Short-term employee benefits	$ 518,921	$ 505,906
Post-employment benefits		
Defined Contribution Plan	18,631	18,456
Defined Benefit Plans	311	347
Termination benefits	2,008	23,909
	$ 539,871	$ 548,618
By function		
Operating costs	$ 285,602	$ 271,425
Operating expenses	254,269	221,040
Discontinued operations	-	56,153
	$ 539,871	$ 548,618

(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 2021 and 2020 were resolved by the Board of Directors on March 24, 2022 and March 25, 2021 respectively as follows:

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

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.

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.

XXIV. Income Tax

(I) Income tax recognized in profit or loss

Major components of income tax expenses are as follows:

	2021	2020
Current-period income tax		
Income tax expenses recognized in the current period	$111,009	$ 68,721
Additional tax on unappropriated earnings	4,323	2,728
Adjustments for previous years	(3,197)	(89)
Tax levied separately by the Repatriated Offshore Funds Act	-	77,550
	112,135	148,910
Deferred income tax		
Income tax expenses recognized in the current period	28,421	(64,553)
Less: Income tax from discontinued operations	-	(2,520)
Income tax expenses recognized in profit or loss	$140,556	$ 81,837

Reconciliation for accounting income and income tax expenses is as follows:

	2021	2020
Income before income tax from continuing operations	$ 545,706	$ 383,812
Income before income tax from discontinued operations	-	75,289
Net income before tax	$ 545,706	$ 459,101
Income tax expenses calculated based on income before income tax and the statutory tax rate	$ 112,028	$ 111,695
Effects on the deferred income tax of subsidiaries' earnings	-	(93,618)
Permanent difference	80	221
Exemptions	(18,256)	(12,631)
Unrecognized loss carryforwards	-	(13,456)
Adjustments on income tax expenses of prior years	(3,197)	(89)
Additional tax on unappropriated earnings	4,323	2,728
Tax levied separately by the Repatriated Offshore Funds Act	-	77,550
Tax on capital gain from disposal of subsidiaries	40,614	13,665
Realized loss from domestic investment using equity method	-	(3,913)
Others	4,964	2,205
Less: Income tax from discontinued operations	-	(2,520)
Income tax expenses recognized in profit or loss	$ 140,556	$ 81,837

(II) Income tax recognized in other comprehensive income

	2021	2020
Deferred income tax		
Arise from current period		
Exchange differences on translation of financial statements of foreign operations	($ 5,479)	$ 10,465
Remeasurement of defined benefit plans	(463)	187
Income tax recognized in other comprehensive income	($ 5,942)	$ 10,652

(III) Deferred Income Tax Assets and Liabilities

Changes in deferred income tax assets and liabilities are as follows:

2021

	Balance - beginning of year	Recognized in profit and loss	Recognized in other comprehensive income	Balance - end of year
Deferred tax assets				
Warranty Cost	$ 5,567	$ 1,202	$ -	$ 6,769
Construction proceeds temporarily estimated	18,464	(2,978)	-	15,486
Unrealized construction loss	3,541	(977)	-	2,564
Impairment loss	896	(896)	-	-
Others	2,497	(1,301)	(463)	733
	$ 30,965	($ 4,950)	($ 463)	$ 25,552
Deferred tax liabilities				
Gains or losses from investment accounted for using equity method	$ 440,239	$ 23,471	$ -	$ 463,710
Accumulated conversion adjustment	5,362	-	5,479	10,841
Reserve for land value increment tax	10,814	-	-	10,814
Others	915	-	-	915
	$ 457,330	$ 23,471	$ 5,479	$ 486,280

2020

	Balance - beginning of year	Recognized in profit and loss	Recognized in other comprehensive income	Balance - end of year
Deferred tax assets				
Warranty Cost	$ 4,533	$ 1,034	$ -	$ 5,567
Construction proceeds temporarily estimated	5,084	13,380	-	18,464
Unrealized construction loss	3,492	49	-	3,541
Impairment loss	2,679	(1,783)	-	896
Loss carryforwards	282	(282)	-	-
Others	951	1,359	187	2,497
	$ 17,021	$ 13,757	$ 187	$ 30,965
Deferred tax liabilities				
Gains or losses from investment accounted for using equity method	$ 491,035	($ 50,796)	$ -	$ 440,239
Exchange differences on translation of foreign operations	15,827	-	(10,465)	5,362
Reserve for land value increment tax	10,814	-	-	10,814
Others	915	-	-	915
	$ 518,591	($ 50,796)	($ 10,465)	$ 457,330

(IV) Income tax approval status

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

Company name	Year Approved
The Company	2019
Chien Kuo Building Co., Ltd.	2019
Shun Long International Electrical Engineering Co., Ltd.	2019
Golden Canyon Venture Capital Investment Co., Ltd.	Not yet approved

XXV. Earnings Per Share

Unit: NT$

	2021	2020
Basic earnings per share		
From continuing operations	$ 1.57	$ 1.16
From discontinued operations	-	0.27
Total basic earnings per share	$ 1.57	$ 1.43
Diluted earnings per share		
From continuing operations	$ 1.57	$ 1.15
From discontinued operations	-	0.28
Total basic earnings per share	$ 1.57	$ 1.43

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

Net income

	2021	2020
Net income attributable to owners of the Company	$405,150	$373,905
Less: Net income from discontinued operations used for calculation of basic earnings per share of discontinued operations	-	(72,769)
Net income from continuing operations used for calculation of basic/diluted earnings per share of continuing operations	$405,150	$301,136

Shares

Unit: In thousand shares

	2021	2020
Weighted average number of shares of common stock used for the calculation of basic earnings per share	257,440	260,603
Effect of potentially dilutive shares of common stocks:		
Employee remuneration	1,321	1,296
Weighted average number of shares of common stock used for the calculation of diluted earnings per share	258,761	261,899

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.

XXVI. 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$539,613 thousand (RMB 126,000 thousand) and NT$250,662 thousand (RMB 60,620 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	$ 11,091	$ 13,569
Notes and accounts receivables	235,499	135,065
Other receivables	10,846	58,648
Inventories	7,637	11,376
Prepayments	892	2,160
Other current assets	387	-
Non-current assets		
Property, Plant, and Equipment	76,628	51,306
Right-of-use assets	4,311	4,358
Current liabilities		
Notes payable	$ -	($ 10,865)
Accounts payable	(9,510)	-
Other payables	(10,004)	(140,941)
Contract liability	(9,162)	-
Other current liabilities	(1,027)	-
Net assets disposed of	$ 317,588	$ 124,676

(II) Gains (losses) on disposal of subsidiaries

	Wuxi Chien Bang	Suzhou Chien Hua
Consideration received	$ 539,613	$ 250,662
Net assets disposed of	(317,588)	(124,676)
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	(76,038)	(26,680)
Profit on disposal	$ 145,987	$ 99,306

(III) Net cash inflow on disposal of subsidiaries

	Wuxi Chien Bang	Suzhou Chien Hua
Consideration received in the form of cash and cash equivalents	$ 539,613	$ 250,662
Less: Advance receipts - beginning of year	(531,083)	(126,383)
Less: Balance of cash and cash equivalents disposed	(11,091)	(13,569)
Foreign exchange adjustments	15,065	-
	$ 12,504	$ 110,710

XXVII. 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

The aforementioned cash consideration of NT$6,858 thousand was paid in full on April 6, 2020.

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

On December 31, 2021, financial assets measured at fair value through profit and loss that the Group purchased and disposed of for NT$78,551 thousand and NT$22,478 thousand, respectively, from January 1 to December 31, 2021, are recognized as other payables and other receivables, respectively, due to settlement-date lag.

On December 31, 2020, financial assets measured at fair value through profit and loss that the Group purchased and disposed of for NT$7,884 thousand and NT$141,759 thousand, respectively, from January 1 to December 31, 2020, are recognized as other payables and other receivables, respectively, due to settlement-date lag.

XXIX. Capital Risk Management

The objective of the Group's capital management is to ensure that the Group can continue as a going concern, that an optimal capital structure is maintained to lower the cost of capital, and that returns are provided to shareholders. To maintain or adjust the capital structure, the Group may adjust dividends paid to shareholders, refund capital to shareholders or issue new shares to lower its debts.

XXX. 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

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Structured notes	$ -	$ 391,013	$ -	$ 391,013
Domestic listed stocks	305,807	-	-	305,807
Domestic unlisted stocks	-	-	10,000	10,000
Foreign listed stocks	119,415	-	-	119,415
Fund beneficiary certificates	892,343	-	-	892,343
Private equity funds	-	-	78,042	78,042
Structured deposits	-	103,710	-	103,710
Bank debentures	17,756	-	-	17,756
Total	$1,335,321	$ 494,723	$ 88,042	$1,918,086
Financial assets measured at fair value through other comprehensive income				
Domestic listed stocks	$ 548,679	$ -	$ -	$ 548,679

December 31, 2020

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

There was no transfer between Level 1 and Level 2 fair value measurement for 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.
Structured deposits	The fair values of structured deposits are measured by the yield rate derived from the principal amount of the deposits and the operation of the main investment areas.

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

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

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

The unobservable inputs applied by the Group were a 10% discount for lack of liquidity and a 10% discount for minority interest on December 31, 2021 and December 31, 2020. When other inputs are held constant, a 1% discount would decrease the fair value by NT$3,747 thousand and NT$1,639 thousand, respectively.

(III) Types of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	$ 1,918,086	$ 1,812,371
Financial assets measured at amortized cost(Note 1)	3,330,910	3,734,212
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	548,679	422,572
Financial liabilities		
Measured at amortized cost(Note 2)	2,668,988	3,027,190

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

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

(IV) Financial risk management objectives and policies

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

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

1. Market risk

(1) Foreign exchange rate risk

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

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

Sensitivity analysis

The Group is mainly exposed to USD and RMB fluctuations.

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

	Effect on Profit or Loss	
	2021	2020
RMB	$ 9,123	$ 3,986
USD	216	2,004

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.

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

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

	December 31, 2021	December 31, 2020
With fair value interest rate risk		
- Financial assets	$ 1,871,198	$ 1,684,108
- Financial liabilities	223,662	489,655
With cash flow interest rate risk		
- Financial assets	1,153,352	1,218,692
- Financial liabilities	499,862	499,850

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$6,535 thousand and NT$7,188 thousand in 2021 and 2020, respectively.

(3) Other price risks

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

Sensitivity analysis

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

If the price increased/decreased by 10%, income before tax in 2021 and 2020 would have increased/decreased by NT$191,809 thousand and NT$181,237 thousand due to a change in the fair value of financial assets at fair value through profit or loss.

If the price increased/decreased by 10%, other comprehensive income/loss before tax in 2021 and 2020 would have increased/decreased by NT$54,868 thousand or NT$42,257 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.

December 31, 2021

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

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	-
	$ 2,460,650	$ 569,749	$ 22,700

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

	December 31, 2021	December 31, 2020
Unsecured bank loan facilities		
- Amount used	$ 350,000	$ 615,000
- Amount unused	1,653,854	1,651,429
	$ 2,003,854	$ 2,266,429
Secured bank loan facilities		
- Amount used	$ 350,000	$ 350,000
- Amount unused	100,000	100,000
	$ 450,000	$ 450,000

(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 as of December 31, 2020, and will be due within 5 months and 9 months after the balance sheet date. Having considered the credit risks of such derecognized drafts, the Group determines that the fair value of its continuing involvement is immaterial.

In 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.

XXXI. 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	2021	2020
Associates	$ -	$ 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	Category of Related Parties	2021	2020
Acquisition of right-of-use assets	Other related parties	$ 5,811	$ 12,532

Accounting subject	Category of Related Parties	December 31, 2021	December 31, 2020
Lease liabilities	Other related parties	$ 11,033	$ 10,088

Accounting subject	Category of Related Parties	2021	2020
Interest expenses	Other related parties	$ 198	$ 224
Lease expenses	Other related parties	$ 132	$ 100

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	Category of Related Parties	2021	2020
Rent income	Other related parties	$ 1,143	$ 1,143

4. Equity transaction

The Group sold 49% of the equity of WeBIM Services to the chairman of WeBIM Services on August 17, 2020, at a disposal price of NT$12,250 thousand.

5. Donation

Category of Related Parties	2021	2020
Other related parties	$ 1,800	$ 1,800

The Group donated funds for broadcast production to related parties.

6. Acquisition of financial assets

The Group invested in CSVI VENTURES, L.P. with NT$11,072 thousand (USD400 thousand) in March 2021. The key decision-maker of the fund is the Company's director.

(III) Remuneration to key management

	2021	2020
Short-term employee benefits	$ 75,806	$ 59,777
Post-employment benefits	1,882	1,237
	$ 77,688	$ 61,014

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

XXXII. Pledged Assets

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

	December 31, 2021	December 31, 2020
Inventories (for construction business)	$ 463,577	$ 463,577
Financial assets measured at FVTOCI - non-current	143,544	129,939
Pledged time deposit certificate (classified as financial assets at amortized - non-current)	-	5,696
Investment Property	30,401	30,974
Other restricted assets (classified as other non-current assets)	21,057	13,897
	$ 658,579	$ 644,083

XXXIII. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

(I) The construction project of the National Kaohsiung Center for the Arts (Weiwuying) (hereinafter referred to as "the Project") undertaken by the Company was completed on December 16, 2016, and the Ministry of Culture of the Republic of China (hereinafter referred to as "the Ministry") began the initial acceptance inspection on February 20, 2017. Per instructions of the Ministry during the acceptance inspection process, work completed in phases was delivered for use, while other interface projects were still undergoing construction within the same space. The Ministry even allowed public access to some facilities without turning on related equipment to maintain appropriate temperature and humidity, which resulted in unexpected damage and deficiencies to the Project. The Ministry required the Company to repair the damaged part, which caused the Project's failure to conform to the acceptance procedures within the time limit. As a result, the Ministry proposed to impose a default penalty on the Company for the delay. The Group deemed such application of law was wrong and in violation of the principles of fairness and reasonableness. Therefore, it filed a request for mediation to the Complaint Review Board for Government Procurement under the Public Construction Commission of the Executive Yuan (the "Commission") on October 9, 2018. Since no consensus was reached during the mediation of the Commission, the Group submitted a request for arbitration on August 6, 2020. According to the arbitration result on September 15, 2021, the remaining project payment and the refund of the paid default penalty due by the Ministry to the Group amounted to NT$80,726 thousand, and the amount was booked by the Group.

(II) Shing Tzung Development Co., Ltd (hereinafter referred to as "Shing Tzung") and its responsible person, Lu, Kuo-Feng, constructed a commercial-residential hybrid complex that has 5 floors below ground and 26 floors above ground at Land No. 537, Lingzhou Section, Kaohsiung City. Due to poor construction of diaphragm walls, buildings at Lane 187, Ziqiang 3rd Road suffered severe tilts, wall cracks and subsidence on July 20, 2014. Due to the Group's active participation in the repair work, a total of 25 house owners transferred a certain amount of their creditors' rights to the Group, by which the Group had petitioned the court for a provisional attachment against

Shing Tzung and its responsible person, and a claim of NT$25 million plus the statutory delay interest accrued thereon from them. In 2018, the court held an initial judgment that Shing Tzung had also paid related expenses for such an incident and thus agreed to the contention of Shing Tzung that the expenses already paid by Shing Tzung should offset the credit rights to which the Group might be entitled. Therefore, the plaintiff's case was rejected. Based on the court judgment, the Group has recognized as a loss the total amount of NT$25 million that was previously recognized as "payment on behalf of another party."

In addition, Shing Tzung claimed that it had suffered loss from the incident and should have demanded compensation from the subcontractor responsible for constructing the diaphragm wall. However, Shing Tzung turned to the Group for compensation for the incident because the subcontractor had insufficient capital. The Group also had suffered loss from the incident and, consequently, filed a claim against Shing Tzung for compensation (including expenses incurred by the Group's participation in the repair work) and demanded that Shing Tzung return the promissory notes of performance guarantee to the Group. Regarding the two lawsuits, the Kaohsiung Qiaotou District Court ruled that the Group shall pay Shing Tzung NT$10,477 thousand plus interest calculated at 5% per annum from July 8, 2015 to the settlement date and that Shing Tzung shall pay the Group NT$27,382 thousand plus interest calculated at 5% per annum from October 30, 2015 to the settlement date. The two parties appealed to the Kaohsiung Branch of the Taiwan High Court during the legal period, and the first court session was held on January 4, 2021. The lawyers of Shing Tzung stated that it would take a little more time to prepare the relevant documents because of the change of lawyers. Therefore, the court scheduled the second verbal debate for April 22, 2021. The judge instructed that the disputed items of Shing Tzung should be sent to supplementary appraisal. The appraisal unit held a preliminary appraisal meeting on initial inspection on September 1, 2021, and the appraisal report is currently pending so that the outcome of the judgment cannot be assessed.

(III) On March 15, 2013, the Group and Kingland Property Corporation Ltd. (formerly known as DSG Technology Inc., hereinafter referred to as "Kingland") signed a construction contract, under which two parties covenanted to contract the Group for the construction project named "Fu-yi River Residential Construction Project" on Land No. 440, Zhuangjing Section, Xindian District, New Taipei City. The Group had completed the various stages of work as specified by the contract and, together with Kingland, completed the acceptance of the residential units and inspection of communal facilities. Due to a large portion of the residential units being unsold and thus the condominium management committee failed to be established, Kingland, by putting up various excuses, refused to make progress with any follow-up inspections or acceptance, and furthermore refused to make the remaining contract payments and additional payments due to the Group. The Group then submitted a request for arbitration on October 22, 2019, demanding Fuyi Company to pay the remaining balance and the amount for additional works by the Group NT$57,370 thousand. The arbitration conference ended on March 5, 2021, and the arbitration judgment was received in early April, 2021. After the two parties settled based on the arbitration judgment, the Fuyi Company should pay the Group approximately NT$45,000 thousand for the remaining balance of construction contracts, and the Group has booked the settlement according to the arbitration result.

(IV) As of December 31, 2021, the performance guarantee letters issued by the bank for construction projects of the Group amounted to NT$1,548,705 thousand.

(V) As of December 31, 2021, the guaranteed bills issued by the Group for business needs amounted to NT$155,851 thousand.

XXXIV. Other Matters

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

XXXV. 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$ thousands

December 31, 2021

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

December 31, 2020

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

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

	2021		2020	
	Exchange Rate	Net Exchange Profit (Loss)	Exchange Rate	Net Exchange Loss
Financial assets				
RMB	0.1550 (RMB:USD)	$ 25,993	0.1449 (RMB:USD)	$ 10,372
USD	28.01 (USD:NTD)	(587)	29.55 (USD:NTD)	(7,130)
		$ 25,406		$ 3,242

XXXVI. Supplementary Disclosures

(I) Information on 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 XXX)
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)

XXXVII. 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.

(I) Information on Major Customers:

Individual customers from whom at least 10% of net revenue of the Group is generated are as follows:

	December 31, 2021
10000001	$ 725,916
10286230	987,901
10382454	684,094
10461612	832,239
	$ 3,230,150

	December 31, 2020
10381719	$ 1,300,628
10326634	1,117,447
10335434	862,406
10286230	800,879
10461612	735,555
	$ 4,816,915

Chien Kuo Construction Co., Ltd. and Subsidiaries

Loans Provided to Others

January 1 to December 31, 2021

Appendix 1

Unit: NT$ Thousands

No.	Financing Company	Counterparty	Financial Statement Account	Whether a Related Party	Maximum Balance	Balance - end of year	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	$ -	$ -	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 December 31, 2021

Appendix 2

Unit: NT$ Thousands

No.	Endorsements/Guarantees Provider Company Name	Parties Being Endorsed/Guaranteed		Limit of Endorsements/ Guarantees for a Single Entity (Note 1)	Highest Balance as of the Current Month	Outstanding Endorsements/ Guarantees - Ending	Amount Actually Withdrawn	Endorsements/ Guarantees Secured with Collateral	Ratio of Cumulative Endorsements/Guarantees to the Net Equity Stated in the Latest Financial Statements	Limit of Endorsements/ Guarantees (Note 2)	Endorsements/ Guarantees Provided by Parent for Subsidiary	Endorsements/ Guarantees Provided by Subsidiary for Parent	Endorsements/Guarantees for Entities in China	Note
		Company name	Relationship											
0	Chien Kuo Construction Co., Ltd.	Shun Long International Electrical Engineering Co., Ltd.	Subsidiary	$ 2,341,787	$ 100,000	$ 100,000	$ 9,730	$ -	2.14%	$ 4,683,574	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 at the End of the Period

December 31, 2021

Appendix 3

Unit: NT$ Thousands

Holding Company	Type and Name of Marketable Securities	Relationship with the Marketable Security Issuer	Financial Statement Account	End of period				Note
				Number of Shares (in Thousands)	Carrying Amount	Shareholding Percentage (%)	Fair Value	
Chien Kuo Construction Co., Ltd.	Fund							
	Allianz Global Investors Taiwan Technology Fund	—	Financial assets at FVTPL - current	202	$ 29,880	-	$ 29,880	—
	CTBC Leading Semiconductor ETF	—	〃	933	16,514	-	16,514	—
	Wanchang Venture Capital Private Equity Funds	—	Financial assets at FVTPL - non-current	2,700	26,100	-	26,100	—
	Stock							
	China Steel Corporation	—	Financial assets at FVTPL - current	308	10,888	-	10,888	—
	Hon Hai Precision Ind. Co., Ltd.	—	〃	23	2,392	-	2,392	—
	Taiwan Semiconductor Manufacturing Co., Ltd.	—	〃	124	76,260	-	76,260	—
	Realtek Semiconductor Corp.	—	〃	14	8,120	-	8,120	—
	Evergreen Marine Corporation	—	〃	27	3,848	-	3,848	—
	Fubon Financial Holding Co., Ltd.	—	〃	84	6,409	-	6,409	—
	Forcecon Tech Co., Ltd.	—	〃	55	4,999	0.08%	4,999	—
	Advanced Semiconductor Engineering, Inc.	—	〃	51	5,431	-	5,431	—
	Coremax Corporation	—	〃	12	1,776	0.01%	1,776	—
	Richwave Technology Corp.	—	〃	29	7,830	0.05%	7,830	—
	GlobalWafers Co., Ltd	—	〃	48	42,624	0.01%	42,624	—
	United Microelectronics Corp.	—	〃	154	10,010	-	10,010	—
	Taiwan Mask Corporation	—	〃	30	3,240	0.01%	3,240	—
	MediaTek Inc.	—	〃	5	5,950	-	5,950	—
	Faraday Technology Corporation	—	〃	14	3,346	0.01%	3,346	—
	Unimicron Technology Corporation	—	〃	26	6,006	-	6,006	—
	Ultra Chip, Inc.	—	〃	8	2,040	0.01%	2,040	—
	Kinsus Interconnect Technology Corp.	—	〃	12	2,796	-	2,796	—
	Global Unichip Corp.	—	〃	2	1,172	-	1,172	—
	Lotes Co., Ltd.	—	〃	2	1,595	-	1,595	—
	Alchip Technologies, Limited.	—	〃	3	3,060	-	3,060	—
	Parade Technologies, Ltd.	—	〃	1	2,115	-	2,115	—
	ASMedia Technology Inc.	—	〃	2	3,640	-	3,640	—
	NETRONIX Technology Co., Ltd.	—	〃	20	1,138	0.02%	1,138	—

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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	
	ITEQ Corporation	—	Financial assets at FVTPL - current	10	$ 1,420	-	$ 1,420	—
	Taiwan Union Technology Corporation	—	〃	13	1,326	-	1,326	—
	Wiwynn Corporation	—	〃	1	1,115	-	1,115	—
	Nan Ya PCB Co., Ltd.	—	〃	18	10,296	-	10,296	—
	E Ink Holdings Inc.	—	〃	50	7,550	-	7,550	—
	Merida Industry Co., Ltd.	—	〃	5	1,638	-	1,638	—
	Formosa Plastics Corp.	—	〃	28	2,912	-	2,912	—
	Makalot Industrial Co., Ltd.	—	〃	10	2,470	-	2,470	—
	GIGABYTE Technology Co., Ltd.	—	〃	11	1,711	-	1,711	—
	PANJIT International Inc.	—	〃	10	1,070	-	1,070	—
	Fitipower Integrated Technology Inc.	—	〃	4	1,128	-	1,128	—
	Sino-American Silicon Products Inc.	—	〃	12	2,832	-	2,832	—
	TONG HSING ELECTRONIC INDUSTRIES, LTD.	—	〃	8	2,380	-	2,380	—
	Co-Tech Development Corp.	—	〃	14	1,079	0.01%	1,079	—
	Century Iron & Steel Industrial Co. Ltd.	—	〃	10	1,105	-	1,105	—
	Chia Hsin Cement Corporation	—	Financial assets measured at FVTOCI - current	1,114	23,126	0.14%	23,126	—
	Taiwan Cement Corporation	—	Financial assets measured at FVTOCI - non-current	6,191	297,170	0.10%	297,170	(Note 2)
	Chia Hsin Cement Corporation	—	〃	6,853	142,200	0.88%	142,200	(Note 3)
	Chunghwa Telecom Co., Ltd.	—	〃	189	22,018	-	22,018	—
	Mega Financial Holding Company Ltd.	—	〃	860	30,573	0.01%	30,573	—
	SinoPac Financial Holdings Company Ltd.	—	〃	2,080	33,592	0.02%	33,592	—
Chien Kuo Building Co., Ltd.	<u>Stock</u>							
	G-Tech Optoelectronics Corp.	—	Financial assets at FVTPL - current	130	4,043	0.06%	4,043	—
	RDC Semiconductor Co., LTD	—	〃	36	17,064	0.05%	17,064	—
	Genius Electronic Optical Co., Ltd	—	〃	11	5,819	0.01%	5,819	—
	M31 Technology Corp.	—	〃	20	7,950	0.06%	7,950	—
	UPI Semiconductor Corp.	—	〃	10	9,230	0.01%	9,230	—
	Powerchip Semiconductor Manufacturing Corp.	—	〃	70	4,984	-	4,984	—
Golden Canyon Venture Capital Investment Co., Ltd.	<u>Stock</u>							
Co., Ltd.	Locus Cell Co., Ltd.	—	Financial assets at FVTPL - non-current	1,000	10,000	-	10,000	—

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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	
Golden Canyon Limited Company	Fund							
	CSOP S&P New China Sectors HKD Inc ETF	—	Financial assets at fair value through profit or loss - current	204	$ 56,222	-	$ 56,222	—
	iShares FTSE China A50 ETF	—	〃	323	21,020	-	21,020	—
	Citi Taiwan-92A4USD Liquidity Fund	—	〃	71	207,812	-	207,812	—
	Citi Taiwan-92A3USD Liquidity Fund	—	〃	29	83,047	-	83,047	—
	PVG GCN VENTURES, L.P.	—	Financial assets at FVTPL - non-current	-	13,523	5.00%	13,523	—
	CSVI VENTURES,L.P.	(Note 1)	〃	-	38,419	6.45%	38,419	—
	Stock							
	Alibaba (9988)	—	Financial assets at FVTPL - current	31	12,695	-	13,275	—
	Bonds							
	Cash Plus Bonds	—	Financial assets at FVTPL - current	300	8,323	-	8,323	—
Silver Shadow Holding Limited	Fund							
	SinoPac Securities - Capital Chinese Golden Age Equity Fund (RMB)	—	Financial assets at FVTPL - current	314	23,318	-	23,318	—
	SinoPac Securities - Fuh Hwa China New Economy A Shares Equity Fund (RMB)	—	〃	367	22,326	-	22,326	—
	Citi Taiwan-92A4USD Liquidity Fund	—	〃	85	249,408	-	249,408	—
	Citi Taiwan-92A3USD Liquidity Fund	—	〃	29	83,047	-	83,047	—
	iShares MSCI Brazil ETF (EWZ)	—	〃	36	27,971	-	27,971	—
	iShares MSCI India ETF (INDA)	—	〃	7	8,882	-	8,882	—
	iShares Global Clean Energy ETF (ICLN)	—	〃	63	36,917	-	36,917	—
	Vanguard Value ETF	—	〃	6	25,979	-	25,979	—
	Bonds							
	Cash Plus Bonds	—	Financial assets at FVTPL - current	340	9,433	-	9,433	—
	Stock							
	Abbott Laboratories	—	Financial assets at FVTPL - current	-	1,387	-	1,387	—
	AECOM	—	〃	1	1,165	-	1,165	—
	AeroVironment, Inc.	—	〃	-	683	-	683	—
	AIA Group Limited	—	〃	1	327	-	327	—

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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	
	Alibaba Group Holding Limited	—	Financial assets at FVTPL - current	4	$ 1,608	-	$ 1,608	—
	Alphabet Inc.	—	〃	-	3,284	-	3,284	—
	Aluminum Corp of China Limited	—	〃	24	366	-	366	—
	Amazon.com, Inc.	—	〃	-	3,138	-	3,138	—
	American Tower Corporation (REIT)	—	〃	-	1,020	-	1,020	—
	Apple Inc.	—	〃	1	3,745	-	3,745	—
	Aptiv PLC	—	〃	-	968	-	968	—
	AstraZeneca PLC	—	〃	-	1,402	-	1,402	—
	Baidu, Inc.	—	〃	1	565	-	565	—
	Baker Hughes Company	—	〃	2	1,215	-	1,215	—
	BlackRock, Inc.	—	〃	-	1,090	-	1,090	—
	BNY Mellon Strategic Municipal Bond Fund, Inc.	—	〃	-	682	-	682	—
	Brookfield Asset Management Inc.	—	〃	1	1,013	-	1,013	—
	BYD Company Limited	—	〃	1	832	-	832	—
	CanSino Biologics Inc.	—	〃	1	341	-	341	—
	China Merchants Bank Co., Ltd.	—	〃	3	594	-	594	—
	China Merchants Energy Shipping Co., Ltd.	—	〃	9	156	-	156	—
	China Tourism Group Duty Free Corporation Limited	—	〃	-	286	-	286	—
	China Yangtze Power Co., Ltd.	—	〃	5	444	-	444	—
	CITIC Securities Company Limited	—	〃	6	723	-	723	—
	Clean Harbors, Inc.	—	〃	-	936	-	936	—
	Compagnie de Saint-Gobain S.A.	—	〃	3	998	-	998	—
	Contemporary Amperex Technology Co., Limited	—	〃	1	1,278	-	1,278	—
	Corteva, Inc. (CTVA)	—	〃	1	1,166	-	1,166	—
	Darling Ingredients Inc.	—	〃	1	978	-	978	—
	DBS Group Holdings Ltd	—	〃	2	1,117	-	1,117	—
	Deere & Company	—	〃	-	959	-	959	—
	DraftKings Inc.	—	〃	1	665	-	665	—

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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	
	Elanco Animal Health Incorporated	—	Financial assets at FVTPL - current	1	$ 1,084	-	$ 1,084	—
	ENN Energy Holdings Limited	—	〃	-	108	-	108	—
	Equinix, Inc. (REIT)	—	〃	-	796	-	796	—
	EssilorLuxottica Société anonyme	—	〃	-	775	-	775	—
	Fanuc Corporation	—	〃	-	873	-	873	—
	Fidelity National Information Services, Inc.	—	〃	-	1,100	-	1,100	—
	Fuyao Glass Industry Group Co., Ltd.	—	〃	1	143	-	143	—
	Graphic Packaging Holding Company	—	〃	2	1,129	-	1,129	—
	Hangzhou Oxygen Plant Group Co., Ltd.	—	〃	2	248	-	248	—
	Hannon Armstrong Sustainable Infrastructure Capital, Inc.	—	〃	-	718	-	718	—
	Honeywell International Inc.	—	〃	-	820	-	820	—
	Hong Kong Exchanges and Clearing Limited	—	〃	1	1,289	-	1,289	—
	Hubei Xingfa Chemicals Group Co., Ltd.	—	〃	3	560	-	560	—
	iFLYTEK CO., LTD	—	〃	2	479	-	479	—
	Inner Mongolia Yili Industrial Group Co., Ltd.	—	〃	4	721	-	721	—
	Intuitive Surgical, Inc.	—	〃	-	716	-	716	—
	Keyence Corporation	—	〃	-	1,164	-	1,164	—
	KION GROUP AG	—	〃	-	1,131	-	1,131	—
	Linde plc	—	〃	-	805	-	805	—
	LONGi Green Energy Technology Co., Ltd.	—	〃	1	465	-	465	—
	LVMH Moët Hennessy - Louis Vuitton, Société Européenne	—	〃	-	1,168	-	1,168	—
	Maravai LifeSciences Holdings, Inc.	—	〃	1	1,030	-	1,030	—
	MercadoLibre, Inc.	—	〃	-	858	-	858	—
	MicroPort Scientific Corporation	—	〃	2	167	-	167	—

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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	
	Microsoft Corporation	—	Financial assets at FVTPL - current	-	$ 4,086	-	$ 4,086	—
	Mondelez International, Inc.	—	〃	1	1,333	-	1,333	—
	MP Materials Corp.	—	〃	1	958	-	958	—
	NARI Technology Co., Ltd.	—	〃	3	539	-	539	—
	Nestlé S.A.	—	〃	-	1,494	-	1,494	—
	NextEra Energy, Inc.	—	〃	-	1,013	-	1,013	—
	NIKE, Inc.	—	〃	-	1,070	-	1,070	—
	NVIDIA Corporation	—	〃	-	1,563	-	1,563	—
	NXP Semiconductors N.V.	—	〃	-	990	-	990	—
	Palo Alto Networks, Inc.	—	〃	-	1,279	-	1,279	—
	PayPal Holdings, Inc.	—	〃	-	913	-	913	—
	PetroChina Company Limited	—	〃	57	701	-	701	—
	Ping An Insurance (Group) Company of China, Ltd.	—	〃	3	671	-	671	—
	Power Construction Corporation of China, Ltd	—	〃	12	418	-	418	—
	Prosus N.V.	—	〃	2	1,078	-	1,078	—
	Roblox Corporation	—	〃	-	642	-	642	—
	Rogers Corporation	—	〃	-	1,482	-	1,482	—
	S&P Global Inc.	—	〃	-	967	-	967	—
	salesforce.com, inc.	—	〃	-	1,252	-	1,252	—
	Samsung SDI Co., Ltd.	—	〃	-	1,068	-	1,068	—
	Schneider Electric S.E.	—	〃	1	1,142	-	1,142	—
	Shenzhen Sunlord Electronics Co., Ltd.	—	〃	2	398	-	398	—
	Signet International Holdings, Inc.	—	〃	1	529	-	529	—
	Singapore Technologies Engineering Ltd	—	〃	12	943	-	943	—
	SolarEdge Technologies, Inc.	—	〃	-	753	-	753	—
	Sony Group Corporation	—	〃	-	1,504	-	1,504	—
	Taiwan Semiconductor Manufacturing Company Limited	—	〃	-	1,532	-	1,532	—
	Take-Two Interactive Software, Inc.	—	〃	-	1,313	-	1,313	—

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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	
	Teledyne Technologies Incorporated	—	Financial assets at FVTPL - current	-	$ 847	-	$ 847	—
	Tencent Holdings Limited	—	〃	1	2,230	-	2,230	—
	The Charles Schwab Corporation	—	〃	1	1,304	-	1,304	—
	The Coca-Cola Company	—	〃	1	1,165	-	1,165	—
	The Estée Lauder Companies Inc.	—	〃	-	902	-	902	—
	The Middleby Corporation	—	〃	-	1,247	-	1,247	—
	The Walt Disney Company	—	〃	-	1,162	-	1,162	—
	Thermo Fisher Scientific Inc.	—	〃	-	1,385	-	1,385	—
	Trip.com Group Limited	—	〃	1	776	-	776	—
	UnitedHealth Group Incorporated	—	〃	-	1,821	-	1,821	—
	Vertex Pharmaceuticals Incorporated	—	〃	-	1,240	-	1,240	—
	Visa Inc.	—	〃	-	1,644	-	1,644	—
	Volkswagen AG	—	〃	-	1,091	-	1,091	—
	Wanhua Chemical Group Co., Ltd.	—	〃	-	176	-	176	—
	Weichai Power Co., Ltd.	—	〃	3	218	-	218	—
	WuXi AppTec Co., Ltd.	—	〃	1	258	-	258	—
	WuXi Biologics (Cayman) Inc.	—	〃	1	250	-	250	—
	Zhuzhou CRRC Times Electric Co., Ltd.	—	〃	3	553	-	553	—
	Haier Smart Home Co., Ltd.	—	〃	1	156	-	156	—
	JD.com, Inc.	—	〃	-	473	-	473	—
	Jiangsu Hengrui Medicine Co., Ltd.	—	〃	1	154	-	154	—
	Li Ning Company Limited	—	〃	1	152	-	152	—
	LianChuang Electronic Technology Co., Ltd	—	〃	2	158	-	158	—
	Advantest Corporation	—	〃	-	889	-	889	—
	Nintendo Co., Ltd.	—	〃	-	780	-	780	—

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 December 31, 2021

Appendix 4

Unit: NT$ Thousands

Purchaser/ Seller	Counter-party	Relationship	Transaction Situation				Situations and Reasons of Transaction Terms Different from General Transaction Terms (Note 1)		Notes and Accounts Receivable (Payable)		Note (Note 2)
			Purchases (Sales)	Amount	Ratio to Total Purchase (Sales)	Credit period	Unit Price	Credit period	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable)	
Chien Kuo Construction Co., Ltd.	Shun Long International Electrical Engineering Co., Ltd.	Subsidiary	Purchases	$ 505,065	10.64%	Subject to the agreement	-	-	($ 249,670)	(14.41%)	
Shun Long International Electrical Engineering Co., Ltd.	Chien Kuo Construction Co., Ltd.	Parent company	Sales	(505,065)	(98.54%)	Subject to the agreement	-	-	249,670	100.00%	

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

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

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

Chien Kuo Construction Co., Ltd. and Subsidiaries

Receivables from Related Parties Amounting to NT$100 Million or 20% of the Paid in Capital or More

January 1 to December 31, 2021

Appendix 5

Unit: NT$ Thousands, unless otherwise specified

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 (Note 1)	Loss Allowance Provided
					Amount	Action Taken		
Shun Long International Electrical Engineering Co., Ltd.	Chien Kuo Construction Co., Ltd.	Parent company	Accounts receivable $ 249,670	1.62	$ -	$ -	$ 249,670	$ -

Note 1. Amount received as of March 24, 2022.

Chien Kuo Construction Co., Ltd. and Subsidiaries

Inter-company Business Relationships and Significant Inter-company Transactions

January 1 to December 31, 2021

Appendix 6

Unit: NT$ Thousands

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			
				Financial Statements Item	Amount	Transaction Terms	Ratio to total Revenue or Total Assets
0	Chien Kuo Construction Co., Ltd.	Shun Long International Electrical Engineering Co., Ltd.	(1)	Other prepayments	$ 12,544	Note 2	0.15%
			(1)	Construction costs	505,065	Note 2	9.48%
			(1)	Contract assets - property construction	1,961,762	Note 2	23.51%
			(1)	Accounts payable	249,670	Note 2	2.99%
			(1)	Accounts payable - Provisional	9,164	Note 2	0.11%
			(1)	Miscellaneous Income	16,874	Note 2	0.32%

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

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

Note 2. Conducted in line with ordinary terms.

Chien Kuo Construction Co., Ltd. and Subsidiaries

Information on Invested Companies and Their Locations, etc.

January 1 to December 31, 2021

Appendix 7

Unit: NT$ Thousands

Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount		Ending Balance			Profit or Loss of Invested Company in the Current Period	Investment Profit/Loss Recognized in the Current Period	Note
				End of the Period	End of Last Year	Shares	Ratio (%)	Carrying Amount			
Chien Kuo Construction Co., Ltd.	Golden Canyon Limited	British Virgin Islands	Reinvestment	$ 183,751	$ 272,267	5,881	100.00%	$ 1,447,816	$ 66,895	$ 66,895	Subsidiary
	Silver Shadow Holding Limited	British Virgin Islands	Reinvestment	704,069	815,907	21,606	100.00%	1,779,332	49,644	49,644	Subsidiary
	Chien Kuo Building Co., Ltd.	Taiwan	Building construction commission; public housing lease and sale	144,065	144,065	10,000	100.00%	110,094	9,758	9,758	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%	82,823	27,685	27,685	Subsidiary
	Golden Canyon Venture Capital Investment Co., Ltd.	Taiwan	Venture capital business	401,000	401,000	40,100	100.00%	398,353	(1,978)	(1,978)	Subsidiary
	Golden Canyon II Venture Capital Investment Co., Ltd.	Taiwan	Venture capital business	200,000	-	20,000	100.00%	199,787	(213)	(213)	Subsidiary
Silver Shadow Holding Limited	CK Asia Co., Ltd.	British Virgin Islands	Reinvestment	118,002	878,510	226	54.78%	131,933	63,563	Note 3	Sub-subsidiary
Golden Canyon Limited	CK Asia Co., Ltd.	British Virgin Islands	Reinvestment	104,987	782,106	187	45.22%	108,918	63,563	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 December 31, 2021 (US$1＝NT$28.01), except for profit or loss items, which are translated into New Taiwan Dollars by using the average exchange rate over January 1 - December 31, 2021 (US$1＝NT$27.68).

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 December 31, 2021

Appendix 8

Unit: NT$ Thousands, unless otherwise specified

Investee in Mainland China	Principal Business Activities	Paid-in Capital	Manner of Investment	Cumulative Investment Amount Remitted from Taiwan - Beginning of the Period	Investment Amount Remitted or Received for the Current Period		Ending Balance of Accumulated Outflow of Investment from Taiwan	Profit or Loss of Invested Company in the Current Period	Percentage of Ownership (Direct or Indirect)	Investment Gains (Losses) Recognized for the Current Period (Note 1)	Carrying Amount as of September 30, 2021 (Note 1)	Investment Gains Repatriated by the End of the Current Period	Note
					Remitted	Received							
Shanghai Chien Kuo Concrete Co., Ltd.	Production and sale of concrete and concrete products	$ 138,732	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	119,421	Investment through a company founded in a third region	68,326	-	-	68,326	(52,847)	100%	(52,847)	122,331	41,113	
Suzhou Chien Hua Concrete Co., Ltd.	Production and sale of concrete and concrete products	110,720	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	269,188	Investment through a company founded in a third region	-	-	-	-	32,697	-	32,697	-	-	Note 4
Wuxi Chien Bang Concrete Co., Ltd.	Production and sale of concrete and concrete products	138,400	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	256,732	Investment through a company founded in a third region	-	-	-	-	1,310	-	1,310	-	-	Note 4
Chien Ya (Nantong) Information Technology Consultant Co., Ltd.	Computer software technology development and consultation	138,400	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	55,360	Investment through a company founded in a third region	197,041	-	-	197,041	(10,126)	100%	(10,126)	91,381	168,105	
Chien Ya (Yangzhou) Technology Consultant Co., Ltd.	Computer software technology development and consultation	224,208	Investment through a company founded in a third region	-	-	-	-	1,183	-	1,183	-	-	Note 4

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)	$ 940,123 (Note 2)	$ 2,821,547

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

Note 2. The amount authorized by the Investment Commission, MOEA was NT$1,494,312 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 thousand, 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; Chien Ya (Wuxi) Information Technology Consultant Co., Ltd. has completed the liquidation on August 11, 2021; Chien Ya (Yangzhou) Technology Consultant Co., Ltd. has completed the liquidation on September 27, 2021; Chien Ya (Suzhou) Technology Consultant Co., Ltd. has completed the liquidation on November 16, 2021.

Chien Kuo Construction Co., Ltd. and Subsidiaries

Information on Major Shareholders

December 31, 2021

Appendix 9 Unit: In thousand shares

List of Major Shareholders	Shareholding	
	Number of Shares Held	Percentage (%)
Chien Hwei Investment Co., Ltd.	46,012	17.87%
Chi-te CHEN	18,844	7.31%
Chen-ching CHEN	13,586	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 Group's consolidated financial statements and the number of shares that have completed delivery of non-physical registration may differ due to the different calculation bases.