

**KEDGE CONSTRUCTION CO., LTD.
and Subsidiaries**

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

January 1 to June 30, 2022 and 2021

Company Address: 6F., No. 131, Sec. 3, Heping E. Rd., Taipei City, Taiwan, R.O.C.

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail

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Independent Auditors' Review Report

To the Board of Directors of Kedge Construction Co., Ltd.:

Introduction

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

Scope

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material aspects, the consolidated financial position of Kedge Construction Co., Ltd. and its subsidiaries as of June 30, 2022 and 2021, their consolidated financial performance for the three-month and six-month periods then ended, and their consolidated cash flows for the six-month periods then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Public Banks," "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and "IAS 34 Interim Financial Reporting" as approved and issued by FSC.

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

KPMG
Taipei, Taiwan
Republic of China
August 5, 2022

Notices to Readers

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

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

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

Consolidated Statements of Comprehensive Income

April 1 to June 30, 2022 and 2021, and January 1 to June 30, 2022 and 2021

Unit: NT\$ thousand

	<u>Apr. - Jun. 2022</u>		<u>Apr. - Jun. 2021</u>		<u>Jan. - Jun. 2022</u>		<u>Jan. - Jun. 2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000 Operating revenue (Note 6(10), (15) and 7)	\$ 2,809,119	100	2,531,513	100	5,003,006	100	5,176,778	100
5000 Operating costs (Note 6(11) and 12)	<u>2,508,682</u>	<u>89</u>	<u>2,129,099</u>	<u>84</u>	<u>4,466,878</u>	<u>89</u>	<u>4,574,719</u>	<u>88</u>
Gross profit from operations	<u>300,437</u>	<u>11</u>	<u>402,414</u>	<u>16</u>	<u>536,128</u>	<u>11</u>	<u>602,059</u>	<u>12</u>
Operating expenses:								
6200 Administrative expenses (Note 6(11), (16), 7 and 12)	<u>76,206</u>	<u>3</u>	<u>77,197</u>	<u>3</u>	<u>142,207</u>	<u>3</u>	<u>143,622</u>	<u>3</u>
Net Operating Profit	<u>224,231</u>	<u>8</u>	<u>325,217</u>	<u>13</u>	<u>393,921</u>	<u>8</u>	<u>458,437</u>	<u>9</u>
Non-operating income and expenses:								
7100 Interest income (Note 6(17))	5,188	-	4,180	-	6,395	-	5,649	-
7010 Other income (Note 6(17))	368	-	3,067	-	8,639	-	3,199	-
7020 Other gains and losses (Note 6(17))	(17,260)	(1)	15,414	1	(16,582)	-	24,690	-
7050 Financial costs (Note 6(17))	(25)	-	(56)	-	(552)	-	(228)	-
7060 Share of profit and loss associates and joint ventures accounted for using the equity method (Note 6(5))	<u>(764)</u>	<u>-</u>	<u>(1,796)</u>	<u>-</u>	<u>(735)</u>	<u>-</u>	<u>(1,788)</u>	<u>-</u>
	<u>(12,493)</u>	<u>(1)</u>	<u>20,809</u>	<u>1</u>	<u>(2,835)</u>	<u>-</u>	<u>31,522</u>	<u>-</u>
Net profit before tax from continuing operations	211,738	7	346,026	14	391,086	8	489,959	9
7950 Less: Income tax expenses (Note 6(12))	<u>64,108</u>	<u>2</u>	<u>63,543</u>	<u>3</u>	<u>98,665</u>	<u>2</u>	<u>90,511</u>	<u>1</u>
Profit	<u>147,630</u>	<u>5</u>	<u>282,483</u>	<u>11</u>	<u>292,421</u>	<u>6</u>	<u>399,448</u>	<u>8</u>
Other comprehensive income:								
Items that will not be reclassified to profit or loss								
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>(42,084)</u>	<u>(1)</u>	<u>(4,918)</u>	<u>-</u>	<u>(61,241)</u>	<u>(1)</u>	<u>58,801</u>	<u>1</u>
8300 Other comprehensive income, net	<u>(42,084)</u>	<u>(1)</u>	<u>(4,918)</u>	<u>-</u>	<u>(61,241)</u>	<u>(1)</u>	<u>58,801</u>	<u>1</u>
Total Comprehensive Income for the Current Period	<u>\$ 105,546</u>	<u>4</u>	<u>277,565</u>	<u>11</u>	<u>231,180</u>	<u>5</u>	<u>458,249</u>	<u>9</u>
Net profit attributable to:								
Owners of the parent company	\$ 147,636	5	282,477	11	292,427	6	399,439	8
8620 Non-controlling interests	<u>(6)</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>9</u>	<u>-</u>
	<u>\$ 147,630</u>	<u>5</u>	<u>282,483</u>	<u>11</u>	<u>292,421</u>	<u>6</u>	<u>399,448</u>	<u>8</u>
Total comprehensive income attributable to:								
Owners of the parent company	\$ 105,562	4	277,560	11	231,201	5	458,225	9
Non-controlling interests	<u>(16)</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>(21)</u>	<u>-</u>	<u>24</u>	<u>-</u>
	<u>\$ 105,546</u>	<u>4</u>	<u>277,565</u>	<u>11</u>	<u>231,180</u>	<u>5</u>	<u>458,249</u>	<u>9</u>
Earnings per share (NT\$) (Note 6(14))								
9750 Basic earnings per share (NT\$)	<u>\$ 1.39</u>		<u>2.66</u>		<u>2.76</u>		<u>3.77</u>	
9850 Diluted earnings per share (NT\$)	<u>\$ 1.39</u>		<u>2.65</u>		<u>2.74</u>		<u>3.74</u>	

(Please see the Notes to the Consolidated Financial Statements)

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

KEDGE CONSTRUCTION CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to June 30, 2022 and 2021

Unit: NT\$ thousand

	Equity Attributable to the Owners of the Parent Company									
	Share Capital		Retained earnings				Other equity interest	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
	Common stock	Stock dividends to be distributed	Capital surplus	Legal reserve	Unappropriated earnings	Total	(losses) from financial assets at fair value through other comprehensive income			
Balance as of January 1, 2021	\$ 1,060,357	-	518,294	282,311	1,063,494	1,345,805	144,653	3,069,109	169	3,069,278
Profit	-	-	-	-	399,439	399,439	-	399,439	9	399,448
Other Comprehensive Income in the Current Period	-	-	-	-	-	-	58,786	58,786	15	58,801
Total Comprehensive Income for the Current Period	-	-	-	-	399,439	399,439	58,786	458,225	24	458,249
Unclaimed dividends after effective period	-	-	107	-	-	-	-	107	-	107
Balance as of June 30, 2021	\$ 1,060,357	-	518,401	282,311	1,462,933	1,745,244	203,439	3,527,441	193	3,527,634
Balance as of January 1, 2022	\$ 1,060,357	-	518,401	345,082	1,357,896	1,702,978	229,197	3,510,933	206	3,511,139
Profit	-	-	-	-	292,427	292,427	-	292,427	(6)	292,421
Other Comprehensive Income in the Current Period	-	-	-	-	-	-	(61,226)	(61,226)	(15)	(61,241)
Total Comprehensive Income for the Current Period	-	-	-	-	292,427	292,427	(61,226)	231,201	(21)	231,180
Earnings appropriation and distribution:										
Legal reserve appropriated	-	-	-	73,890	(73,890)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(275,693)	(275,693)	-	(275,693)	-	(275,693)
Stock dividends of ordinary shares	-	106,035	-	-	(106,035)	(106,035)	-	-	-	-
Unclaimed dividends after effective period	-	-	139	-	-	-	-	139	-	139
Balance as of June 30, 2022	\$ 1,060,357	106,035	518,540	418,972	1,194,705	1,613,677	167,971	3,466,580	185	3,466,765

(Please see the Notes to the Consolidated Financial Statements)

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

Consolidated Statements of Cash Flows

January 1 to June 30, 2022 and 2021

Unit: NT\$ thousand

	<u>Jan. - Jun. 2022</u>	<u>Jan. - Jun. 2021</u>
Cash flows from operating activities:		
Profit before tax	\$ 391,086	489,959
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	7,551	9,842
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	16,582	(24,657)
Interest expense	552	228
Interest income	(6,395)	(5,649)
Dividend income	(363)	(2,935)
Share of loss of associates and joint ventures accounted for using the equity method	735	1,788
Gains on disposal and scrap of property, plant and equipment	-	(33)
Total adjustments to reconcile profit (loss)	<u>18,662</u>	<u>(21,416)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in contract assets	83,907	(462,812)
Decrease in notes and accounts receivable	10,229	343,657
Notes and accounts receivable - decrease in related parties	154,359	902,339
Decrease (increase) in prepayments	(15,384)	3,306
Increase in other financial instruments - current	(82,729)	(22,605)
Decrease (increase) in other financial assets	119,059	(13,886)
Decrease in net defined benefit assets-non-current	43	48
Total changes in operating assets	<u>269,484</u>	<u>750,047</u>
Total changes in operating liabilities:		
Increase (decrease) in contract liabilities	1,316,124	(628,883)
Decrease in notes payable	(75,358)	(45,461)
Decrease in accounts payable	(513,108)	(103,350)
Decrease in other payables	(32,760)	(109,463)
Increase (decrease) in liability reserve	(984)	13,324
(Decrease) increase in other current liabilities	(8,160)	18,357
Decrease in other non-current liabilities	(734)	(269)
Total changes in operating liabilities	<u>685,020</u>	<u>(855,745)</u>
Total changes in operating assets and liabilities	<u>954,504</u>	<u>(105,698)</u>
Total adjustments	<u>973,166</u>	<u>(127,114)</u>
Cash inflow generated from operations	1,364,252	362,845
Interests received	4,960	3,975
Dividends received	363	264
Interest payment	(552)	(228)
Income taxes paid	(193,510)	(119,135)
Net cash flows from (used in) operating activities	<u>1,175,513</u>	<u>247,721</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(5,006)	(2,864)
Disposal of property, plant and equipment	-	76
Decrease in other financial assets	658	409
Net cash flows used in investing activities	<u>(4,348)</u>	<u>(2,379)</u>
Cash flows from financing activities:		
Increase in short-term loans	120,000	-
Decrease in short-term loans	(310,000)	(150,000)
Increase in short-term promissory notes payable	50,000	120,000
Decrease in short-term promissory notes payable	(50,000)	(120,000)
Repayment of lease principal amount	(886)	(1,236)
Net cash outflows from financing activities	<u>(190,886)</u>	<u>(151,236)</u>
Net increase in cash and cash equivalents	980,279	94,106
Opening balance of cash and cash equivalents of the period	4,024,912	4,108,192
Ending balance of cash and cash equivalents of the period	<u>\$ 5,005,191</u>	<u>4,202,298</u>

(Please see the Notes to the Consolidated Financial Statements)

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

KEDGE CONSTRUCTION CO., LTD. and Subsidiaries

Notes to the Consolidated Financial Statements

January 1 to June 30, 2022 and 2021

(Unless otherwise stated, all amounts are stated in NT\$ thousands.)

1. Company Overview

Kedge Construction Co., Ltd. (hereinafter referred to as “the Company”) was incorporated on April 13, 1982, and is located at 6F., No. 131, Sec. 3, Heping E. Rd., Taipei City, Taiwan. The main business items of the Company and its subsidiaries (hereinafter referred to as “the Consolidated Company”) are comprehensive construction and the development, lease, sale, etc. of housing and building.

2. The Approval Date and Procedures of the Financial Report

The consolidated financial statements were approved and issued on August 5, 2022 by the Board of Directors.

3. Application of Newly Issued and Revised Standards and Interpretations

(1) The Impact of Adopting Newly Released and Revised Standards and Interpretations Endorsed by the Financial Supervisory Commission (“FSC”)

The Consolidated Company has adopted the newly recognized International Financial Reporting Standards (“IFRSs”) specified above since January 1, 2022 and assessed that the application will not have a material impact on the consolidated financial statements.

- Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards during 2018-2020 Cycle
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(2) Impacts of IFRS Endorsed by FSC but yet to come into effect

The Consolidated Company has assessed that the application of the above newly endorsed IFRS, effective on January 1, 2023, will not result in a material impact on the consolidated financial statements.

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

(3) Newly issued and amended standards and interpretations yet to be endorsed by the FSC

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

<u>New or amended standards</u>	<u>Main amendments to the content</u>	<u>The effective date of issuance by IASB</u>
Amendments to IAS 1 "Classify Liabilities as Current or Non-current"	<p>The amendments are intended to enhance the consistency of the application of the standard, in order to assist companies in determining whether debts or other liabilities with uncertain liquidation dates should be classified as current (or those that might expire within one year) or non-current on the balance sheet.</p> <p>The amendments also clarify the classification requirements for debts that may be repaid through convert into equity.</p>	January 1, 2023

The Consolidated Company is in the process of evaluating the impact on the consolidated financial position and performance of the adoption of the standards and interpretations mentioned above, and the Consolidated Company will disclose relevant impacts when the evaluation is completed.

The Consolidated Company expects that the following newly published and amended IFRS unendorsed will not result in a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- IFRS 17, "Insurance Contracts," and amendments to IFRS 17
- Amendments to IFRS 17, "Comparative Information for Initial Application of IFRS 17 and IFRS 9"

4. Summary of Significant Accounting Policies

(1) Statement of compliance

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

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

(2) Basis of consolidation

1. Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Nature of Business	Percentage of ownership			Explanation
			2022.6.30	2021.12.31	2021.6.30	
The Company	Guanqing Electromechanical Co., Ltd. (Guanqing Electromechanical)	Electrical equipment installation and fire safety equipment installation, etc.	99.96%	99.96%	99.96%	holds directly more than 50% of the issued voting share in the subsidiary.
The Company	Jiequn Investment Co., Ltd. (Jiequn Investment)	General Investment	99.98%	99.98%	99.98%	holds directly more than 50% of the issued voting share in the subsidiary.
Jointly held by Guanqing Electromechanical and Jiequn Investment	Dingtian Construction Co., Ltd. (Dingtian Construction)	The comprehensive construction industry, etc.	100.00%	100.00%	100.00%	holds indirectly more than 50% of the issued voting share in the subsidiary.

2. Subsidiaries not included in the consolidated financial statements: None.

(3) Income tax

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

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

(4) Employee benefits

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

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

The preparation of the consolidated financial statements in conformity with IAS 34 - Interim Financial Reporting endorsed by the FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. The actual results may differ from the estimates.

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

6. Explanation of Significant Accounts

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

(1) Cash and cash equivalents

	<u>2022.6.30</u>	<u>2021.12.31</u>	<u>2021.6.30</u>
Cash and petty cash	\$ 310	510	610
Demand deposits	1,601,392	2,210,307	1,074,333
Check deposits	1,164,959	1,078,350	1,496,497
Time deposits	2,000,826	-	-
Cash equivalents	<u>237,704</u>	<u>735,745</u>	<u>1,630,858</u>
Cash and cash equivalents	<u>\$ 5,005,191</u>	<u>4,024,912</u>	<u>4,202,298</u>

The aforementioned cash equivalents are short-term bills, whose maturity ranges are between July 2022, January to February 2022, and July 2021, and the interest rate ranges are 0.44% to 0.50%, 0.25% to 0.26%, and 0.22% to 0.25%, respectively.

For the disclosed information on the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Consolidated Company, please refer to Note 6(18).

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

	<u>2022.6.30</u>	<u>2021.12.31</u>	<u>2021.6.30</u>
Financial assets mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
TWSE (or TPEX) listed company shares	<u>\$ 64,140</u>	<u>80,722</u>	<u>68,696</u>

1. Due to the aforementioned designated non-derivative financial assets mandatorily classified as at fair value through profit or loss, the Consolidated Company recognized dividend income amounted to NT\$2,671 thousand in the periods from April 1 to June 30, 2021, and January 1 to June 30, 2021.

2. As of June 30, 2022, December 31, 2021, and June 30, 2021, none of the financial assets of the Consolidated Company has been pledged as collateral.

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

	<u>2022.6.30</u>	<u>2021.12.31</u>	<u>2021.6.30</u>
Equity instruments measured at fair value through other comprehensive income			
Domestic TWSE (or TPEX) listed stocks - Kindom Development Co., Ltd.	\$ 381,120	441,328	415,455
Domestic TWSE (or TPEX) listed stocks - Fubon Financial C Special	1,224	1,240	-
Domestic non-TWSE (nor TPEX) listed stocks - Commonwealth Publishing Company	5,616	6,633	6,716
Domestic unlisted stocks - Taiwan Calcom International Computer Graphic Co., Ltd.	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 387,960</u>	<u>449,201</u>	<u>422,171</u>

1. Equity instrument investments measured at fair value through other comprehensive income
The equity instrument investment held by the Consolidated Company is a long-term strategic investment and not held for trading purposes, so it has been designated to be measured at fair value through other comprehensive income.
2. Due to the aforementioned designated equity instrument investments measured at fair value through other comprehensive income, the Consolidated Company's recognized dividend income amounted to NT\$363 thousand, NT\$264 thousand, NT\$363 thousand, and NT\$264 thousand in the periods from April 1 to June 30, 2022 and 2021, and January 1 to June 30, 2022 and 2021.
3. The Consolidated Company did not dispose of strategic investment in the periods from January 1 to June 30, 2022 and 2021. The accumulated gains and losses in that period have not been transferred within the equity.
4. None of the financial assets of the Consolidated Company has been pledged as collateral.
5. Please refer to Note 6 (18) for credit risk (including impairment of debt instrument investment) and market risk information.

(4) Notes and accounts receivable

	<u>2022.6.30</u>	<u>2021.12.31</u>	<u>2021.6.30</u>
Accounts Receivable	\$ 1,002,184	1,012,413	595,787
Less: Loss allowance	<u>(7,551)</u>	<u>(7,551)</u>	<u>-</u>
	<u>\$ 994,633</u>	<u>1,004,862</u>	<u>595,787</u>

The Consolidated Company adopts the simplified approach to estimate the expected credit loss for all notes receivable and accounts receivable—that is, to measure lifetime expected credit losses. For this measuring purpose, the Consolidated Company at once considers the past default records of clients, current financial circumstances, the industrial economic situation, and the industrial outlook. The expected credit loss of notes receivable and accounts receivable of the Consolidated Company is analyzed as follows:

	<u>2022.6.30</u>		
	<u>The carrying amount of notes receivable and accounts receivable</u>	<u>Weighted average expected credit loss rate</u>	<u>Allowance of lifetime expected credit losses</u>
Not past due	\$ 994,633	-	-
Past due more than 90 days	<u>7,551</u>	100%	<u>7,551</u>
	<u>\$ 1,002,184</u>		<u>7,551</u>
	<u>2021.12.31</u>		
	<u>The carrying amount of notes receivable and accounts receivable</u>	<u>Weighted average expected credit loss rate</u>	<u>Allowance of lifetime expected credit losses</u>
Not past due	\$ 1,004,862	-	-
Past due more than 90 days	<u>7,551</u>	100%	<u>7,551</u>
	<u>\$ 1,012,413</u>		<u>7,551</u>

	2021.6.30		
	The carrying amount of notes receivable and accounts receivable	Weighted average expected credit loss rate	Allowance of lifetime expected credit losses
Not past due	<u>\$ 595,787</u>	-	<u>-</u>

Changes of loss allowance of notes receivable and accounts receivable of the Consolidated Company is as follows:

	Jan. - Jun. 2022	Jan. - Jun. 2021
Beginning balance (same as Ending Balance)	<u>\$ 7,551</u>	<u>-</u>

As of June 30, 2022, December 31, 2021, and June 30, 2021, none of the accounts receivable of the Consolidated Company has been pledged as collateral.

(5) Investments accounted for using equity method

The investment of the Consolidated Company using the equity method on the reporting date is as follows:

	2022.6.30	2021.12.31	2021.6.30
ReadyCom eServices Corp.	<u>\$ 14,385</u>	<u>15,120</u>	<u>18,719</u>

As of June 30, 2022, December 31, 2021, and June 30, 2021, none of the investments of the Consolidated Company accounted for using equity method has been pledged as collateral.

(6) Property, plant, and equipment

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

	Land	Houses and buildings	Transportation equipment	Others equipment	Total
Cost or deemed cost:					
Balance as of January 1, 2022	\$ 62,430	36,313	-	63,033	161,776
Addition	-	-	-	5,006	5,006
Disposal	-	(21,345)	-	(4,044)	(25,389)
Reclassification	53,200	12,667	-	(811)	65,056
Balance as of June 30, 2022	<u>\$ 115,630</u>	<u>27,635</u>	<u>-</u>	<u>63,184</u>	<u>206,449</u>
Balance as of January 1, 2021	\$ 62,430	36,313	1,930	58,969	159,642
Additions	-	-	-	2,864	2,864
Disposal	-	-	(1,930)	-	(1,930)
Balance as of June 30, 2021	<u>\$ 62,430</u>	<u>36,313</u>	<u>-</u>	<u>61,833</u>	<u>160,576</u>
Depreciation and impairment losses:					
Balance as of January 1, 2022	\$ -	35,830	-	23,299	59,129
Depreciation for the year	-	155	-	6,383	6,538
Disposal	-	(21,345)	-	(4,044)	(25,389)
Reclassification	7,000	6,177	-	(365)	12,812
Balance as of June 30, 2022	<u>\$ 7,000</u>	<u>20,817</u>	<u>-</u>	<u>25,273</u>	<u>53,090</u>
Balance as of January 1, 2021	\$ -	16,190	1,887	7,826	25,903
Depreciation for the year	-	2,172	-	6,174	8,346
Disposal	-	-	(1,887)	-	(1,887)
Balance as of June 30, 2021	<u>\$ -</u>	<u>18,362</u>	<u>-</u>	<u>14,000</u>	<u>32,362</u>
Carrying amount:					
January 1, 2022	<u>\$ 62,430</u>	<u>483</u>	<u>-</u>	<u>39,734</u>	<u>102,647</u>
June 30, 2022	<u>\$ 108,630</u>	<u>6,818</u>	<u>-</u>	<u>37,911</u>	<u>153,359</u>
January 1, 2021	<u>\$ 62,430</u>	<u>20,123</u>	<u>43</u>	<u>51,143</u>	<u>133,739</u>
June 30, 2021	<u>\$ 62,430</u>	<u>17,951</u>	<u>-</u>	<u>47,833</u>	<u>128,214</u>

For information regarding the Consolidated Company's property, plant and equipment pledged as collateral as of June 30, 2022, December 31, 2021, and June 30, 2021, please refer to Note 8.

(7) Investment property

	<u>Land, houses and buildings</u>
Balance as of January 1, 2022	\$ 127,549
Transferred to inventory and property, plant and equipment	<u>(65,867)</u>
Balance as of June 30, 2022	<u>\$ 61,682</u>
Balance as of January 1, 2021	\$ 127,549
Balance as of June 30, 2021	<u>\$ 127,549</u>
Depreciation and impairment losses:	
Balance as of January 1, 2022	\$ 25,938
Depreciation for the year	116
Transferred to inventory and property, plant, and equipment	<u>(13,177)</u>
Balance as of June 30, 2022	<u>\$ 12,877</u>
Balance as of January 1, 2021	\$ 25,472
Depreciation for the year	<u>233</u>
Balance as of June 30, 2021	<u>\$ 25,705</u>
Carrying amount:	
January 1, 2022	<u>\$ 101,611</u>
June 30, 2022	<u>\$ 48,805</u>
January 1, 2021	<u>\$ 102,077</u>
June 30, 2021	<u>\$ 101,844</u>

There is no significant difference between the fair value of the investment property of the Consolidated Company and the information disclosed in Note 6(7) to the 2021 annual consolidated financial statements.

For information regarding the Consolidated Company's investment property pledged as collateral as of June 30, 2022, December 31, 2021, and June 30, 2021, please refer to Note 8.

(8) Short-term loans

Details on short-term loans of the Consolidated Company were as follows:

	<u>2022.6.30</u>	<u>2021.12.31</u>	<u>2021.6.30</u>
Unsecured bank loans	<u>\$ 10,000</u>	<u>200,000</u>	<u>-</u>
Unused limit	<u>\$ 7,437,243</u>	<u>4,462,680</u>	<u>4,961,035</u>
Interest rate interval	<u>1.73%</u>	<u>1.05%</u>	<u>-</u>

For details of the Consolidated Company's interest rate risk and liquidity risk, please refer to Note 6(18).

Please refer to Note 8 for details of the collateral of the Consolidated Company's asset pledged for bank loans.

(9) Provisions

	<u>Jan. - Jun. 2022</u>	<u>Jan. - Jun. 2021</u>
Balance of warranty provisions as of January 1	\$ 181,626	150,363
Additional provisions for the current period	9,000	15,721
Provisions used in the current period	(8,983)	(2,397)
Reversal of provisions for the current period	<u>(1,000)</u>	<u>-</u>
Balance of warranty provisions as of June 30	<u>\$ 180,643</u>	<u>163,687</u>

For the periods from January 1 to June 30, 2022 and 2021, the warranty provisions of the Consolidated Company are mainly related to construction contracting. The warranty provisions are estimated based on the historical warranty data of various construction projects. The Consolidated Company expects that the liability will occur mostly one year after the construction acceptance.

(10) Operating lease

For the periods from January 1 to June 30, 2022 and 2021, the Consolidated Company has no significant new operating lease contracts. For related information, please refer to Note 6(10) to the 2021 consolidated financial statements.

(11) Employee benefits

1. Defined benefit plan

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

The details of the expenses recognized by the Consolidated Company are as follows:

	<u>Apr. - Jun. 2022</u>	<u>Apr. - Jun. 2021</u>	<u>Jan. - Jun. 2022</u>	<u>Jan. - Jun. 2021</u>
Operating costs	\$ 53	107	159	260
Administrative expenses	<u>676</u>	<u>44</u>	<u>767</u>	<u>840</u>
Total	<u>\$ 729</u>	<u>151</u>	<u>926</u>	<u>1,100</u>

2. Defined contribution plan

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

	<u>Apr. - Jun. 2022</u>	<u>Apr. - Jun. 2021</u>	<u>Jan. - Jun. 2022</u>	<u>Jan. - Jun. 2021</u>
Operating costs	\$ 4,450	4,077	8,693	8,278
Administrative expenses	<u>1,452</u>	<u>1,301</u>	<u>2,817</u>	<u>2,635</u>
Total	<u>\$ 5,902</u>	<u>5,378</u>	<u>11,510</u>	<u>10,913</u>

3. Short-term paid leave

Details of employee benefit liabilities of the Consolidated Company are as follows:

	<u>2022.6.30</u>	<u>2021.12.31</u>	<u>2021.6.30</u>
Short-term paid leave	<u>\$ 12,880</u>	<u>13,842</u>	<u>10,862</u>

(12) Income tax

Income tax expense is the best estimate of the amount that net income before tax for the period multiplied by the management's best estimate of the annual effective tax rate.

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

	<u>Apr. - Jun. 2022</u>	<u>Apr. - Jun. 2021</u>	<u>Jan. - Jun. 2022</u>	<u>Jan. - Jun. 2021</u>
Current income tax expenses				
Accrued in current year	\$ 46,420	65,678	76,237	91,864
Surtax on unappropriated earnings	16,816	658	16,816	692
Adjustments to income tax expenses of previous period	<u>(241)</u>	<u>(19)</u>	<u>(241)</u>	<u>(19)</u>
	<u>62,995</u>	<u>66,317</u>	<u>92,812</u>	<u>92,537</u>
Deferred tax expense				
Occurrence and reversal of temporary differences	<u>1,113</u>	<u>(2,774)</u>	<u>5,853</u>	<u>(2,026)</u>
Income tax expenses	<u>\$ 64,108</u>	<u>63,543</u>	<u>98,665</u>	<u>90,511</u>

2. The Consolidated Company's business income tax declaration has been approved by the collection authority until 2019, except for Kedge Construction, which has been approved to 2020.

(13) Capital and other equity

Apart from the matters described in the following paragraphs, there were no major changes in the Consolidated Company's capital and other equity in the periods from January 1 to June 30, 2022 and 2021. For relevant information, please refer to Note 6(13) to the 2021 consolidated financial statements.

1. Issuance of ordinary shares

On June 15, 2022, the shareholders' meeting resolved the capital increase out of earnings by NT\$106,035 thousand, or NT\$10 per share, for 10,604 thousand shares, which was approved by the Financial Supervisory Commission, Executive Yuan on July 5, 2022. The ex-rights date is August 7, 2022.

2. Capital surplus

Details of capital surplus was as follows:

	<u>2022.6.30</u>	<u>2021.12.31</u>	<u>2021.6.30</u>
Shares premium	\$ 383,109	383,109	383,109
Premium on conversion of convertible bonds	130,766	130,766	130,766
Changes in the equity net value of associates and joint ventures recognized by the equity method	2,568	2,568	2,568
Unclaimed dividends after effective period	660	521	521
Others	1,437	1,437	1,437
	<u>\$ 518,540</u>	<u>518,401</u>	<u>518,401</u>

In accordance with the Company Act, realized capital surplus can only be distributed to shareholders based on their original shareholding percentage as new shares or cash dividends after offsetting losses. The realized capital surplus referred to in the preceding paragraph includes the overage from the issuance of shares over the par value and the proceeds from the receipt of gifts. In accordance with the provisions of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the capital surplus may be capitalized, and the combined amount of any portions capitalized may not exceed 10% of the paid-in capital each year.

3. Retained earnings

The Company's Articles of Association stipulate that the Company's earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and a special reserve shall be set aside in accordance with applicable laws and regulations. The remaining balance, if any, can be distributed to the shareholders as dividends and bonus dividends according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

The Company will develop towards contracting large-scale constructions and strive for growth and innovation. To continuously maintain sufficient capital to meet the needs of the business, and to take into account the cash required for shareholders, the Company's future cash dividend ratio will be no less than 20% of the total cash and share dividends to be distributed in the current year.

1) Legal reserve

When there is no loss in the Company, the legal reserve will be used to issue new shares or cash dividends upon resolution by the Shareholders' Meeting, to the limit of the part of the reserve that has exceeded 25% of the paid-in capital.

2) Earnings distribution

The 2021 and 2020 distributions of earnings were resolved at the shareholders' meetings on June 15, 2022 and July 1, 2021, respectively. The dividends distributed to owners are as follows:

	2021		2020	
	Dividend rate (NT\$)	Amount	Dividend rate (NT\$)	Amount
Dividends to common shareholders:				
Cash dividend	\$ 2.6	275,693	3.6	381,728
Stock	1.0	106,035	-	-
Total		\$ 381,728		381,728

4. Other equity interest (net after tax)

	Unrealized gains and losses from financial assets at fair value through other comprehensive income
Balance as of January 1, 2022	\$ 229,197
Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	(61,226)
Balance as of June 30, 2022	<u>\$ 167,971</u>

	Unrealized gains and losses from financial assets at fair value through other comprehensive income
Balance as of January 1, 2021	\$ 144,653
Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	58,786
Balance as of June 30, 2021	<u>\$ 203,439</u>

(14) Earnings per share

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

	<u>Apr. - Jun. 2022</u>	<u>Apr. - Jun. 2021</u>	<u>Jan. - Jun. 2022</u>	<u>Jan. - Jun. 2021</u>
Basic earnings per share				
Net profit attributable to ordinary equity holders of the Company	<u>\$ 147,636</u>	<u>282,477</u>	<u>292,427</u>	<u>399,439</u>
Weighted average number of ordinary shares outstanding	<u>106,036</u>	<u>106,036</u>	<u>106,036</u>	<u>106,036</u>
	<u>\$ 1.39</u>	<u>2.66</u>	<u>2.76</u>	<u>3.77</u>
Diluted earnings per share				
Net profit attributable to ordinary equity holders of the Company	<u>\$ 147,636</u>	<u>282,477</u>	<u>292,427</u>	<u>399,439</u>
Weighted average number of ordinary shares outstanding	106,036	106,036	106,036	106,036
Impact of potential ordinary shares with the dilution effect				
Influence of potentially diluted shares - employee compensation	367	423	781	723
Weighted average number of common shares outstanding (after adjusting the impact of diluting potential common shares)	<u>106,403</u>	<u>106,459</u>	<u>106,817</u>	<u>106,759</u>
	<u>\$ 1.39</u>	<u>2.65</u>	<u>2.74</u>	<u>3.74</u>

The Company's shareholders' meeting held on June 15, 2022 resolved issuance of bonus shares, with August 7, 2022 as the ex-rights date. If such issuance of bonus shares had occurred prior to the adoption and release of the financial statements, the proposed retroactive adjustment to earnings per share would have been as follows:

	<u>Apr. - Jun. 2022</u>	<u>Apr. - Jun. 2021</u>	<u>Jan. - Jun. 2022</u>	<u>Jan. - Jun. 2021</u>
Basic earnings per share	<u>\$ 1.27</u>	<u>2.42</u>	<u>2.51</u>	<u>3.42</u>
Diluted earnings per share	<u>\$ 1.26</u>	<u>2.41</u>	<u>2.49</u>	<u>3.40</u>

(15) Revenue from contracts with clients

1. Disaggregation of revenue

	<u>Apr. - Jun. 2022</u>	<u>Apr. - Jun. 2021</u>	<u>Jan. - Jun. 2022</u>	<u>Jan. - Jun. 2021</u>
Timing of revenue recognition:				
Gradually transferred constructions over time	\$ 2,807,349	2,528,985	5,000,407	5,172,739
Gradually transferred services over time	1,770	2,528	2,599	4,039
	<u>\$ 2,809,119</u>	<u>2,531,513</u>	<u>5,003,006</u>	<u>5,176,778</u>

2. Contract balances

	<u>2022.6.30</u>	<u>2021.12.31</u>	<u>2021.6.30</u>
Notes and accounts receivable (including related parties)	\$ 1,667,834	1,832,422	1,582,304
Less: Loss allowance	(7,551)	(7,551)	-
Total	<u>\$ 1,660,283</u>	<u>1,824,871</u>	<u>1,582,304</u>
Contract asset-construction	\$ 2,075,138	2,159,046	1,903,974
Less: Loss allowance	-	-	-
Total	<u>\$ 2,075,138</u>	<u>2,159,046</u>	<u>1,903,974</u>
Contract liability-construction	<u>\$ 1,760,781</u>	<u>444,657</u>	<u>896,458</u>

Please refer to Note 6 (4) for the disclosure of accounts receivable and their impairment.

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

(16) Remuneration to employees and directors

The Company's Articles of Incorporation stipulate that, after annual earnings first offset against any deficit, a minimum of 0.5% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration. However, profits must first be taken to offset against cumulative losses, if any.

The estimated remunerations to employees amounted to NT\$11,357 thousand, NT\$14,069 thousand, NT\$18,603 thousand, and NT\$20,175 thousand, and the estimated remunerations to directors amounted to NT\$5,679 thousand, NT\$7,034 thousand, NT\$9,302 thousand, and NT\$10,087 thousand for the three-month and six-month periods then ended on June 30, 2022 and 2021, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the percentage which is stated under the Company's Articles of Incorporation. These remunerations were expensed under operating costs and operating expenses for each period. If the actual distribution is different from the estimation, the difference will be accounted for as changes in accounting estimates and recognized in profit or loss for the following year.

The actual distribution of employee remuneration amounted to NT\$49,810 thousand and NT\$33,223 thousand, and the actual distribution of director remuneration amounted to NT\$19,602 thousand and NT\$16,611 thousand for the years of 2021 and 2020. There is no difference between the estimation and the actual distribution. Please refer to the Market Observation Post System (MOPS) for relevant information.

(17) Non-operating income and expenses

1. Interest income

The details of interest income of the Consolidated Company are as follows:

	<u>Apr. - Jun. 2022</u>	<u>Apr. - Jun. 2021</u>	<u>Jan. - Jun. 2022</u>	<u>Jan. - Jun. 2021</u>
Loans and receivables	\$ 799	1,757	1,250	3,199
Bank deposits	4,389	336	5,145	363
Other interest income	-	2,087	-	2,087
	<u>\$ 5,188</u>	<u>4,180</u>	<u>6,395</u>	<u>5,649</u>

2. Other income

The details of other income of the Consolidated Company are as follows:

	<u>Apr. - Jun. 2022</u>	<u>Apr. - Jun. 2021</u>	<u>Jan. - Jun. 2022</u>	<u>Jan. - Jun. 2021</u>
Dividend income	\$ 363	2,935	363	2,935
Rental income	3	3	6	6
Other income	2	129	8,270	258
	<u>\$ 368</u>	<u>3,067</u>	<u>8,639</u>	<u>3,199</u>

3. Other gains or losses

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

	<u>Apr. - Jun. 2022</u>	<u>Apr. - Jun. 2021</u>	<u>Jan. - Jun. 2022</u>	<u>Jan. - Jun. 2021</u>
Profit (loss) of financial assets at fair value through profit or loss	\$ (17,260)	15,414	(16,582)	24,657
Gains on disposal of property, plant and equipment	-	-	-	33
	<u>\$ (17,260)</u>	<u>15,414</u>	<u>(16,582)</u>	<u>24,690</u>

4. Financial costs

The details of financial costs of the Consolidated Company are as follows:

	<u>Apr. - Jun. 2022</u>	<u>Apr. - Jun. 2021</u>	<u>Jan. - Jun. 2022</u>	<u>Jan. - Jun. 2021</u>
Interest expense				
Bank loans	\$ -	-	488	104
Others	25	56	64	124
	<u>\$ 25</u>	<u>56</u>	<u>552</u>	<u>228</u>

(18) Financial instruments

Apart from the matters described in the following paragraphs, there are no major changes in the fair value of the Consolidated Company's financial instruments and matters exposed to credit risk, liquidity risk, and market risk due to financial instruments. For relevant information, please refer to Note 6(18) to the 2021 consolidated financial statements.

1. Liquidity risk

The following table shows the contractual maturity of financial liabilities, including estimated interest but excluding the impact of net amount agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1-3 years	3-5 years	Over 5 years
June 30, 2022						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 10,000	10,227	173	10,054	-	-
Notes payable	208,533	208,533	208,533	-	-	-
Accounts payable	3,629,333	3,629,333	1,947,804	1,681,529	-	-
Other payables	538,032	538,032	538,032	-	-	-
Other current liabilities (leases liabilities)	1,611	1,630	1,630	-	-	-
Other non-current liabilities (leases liabilities)	4,463	5,493	-	950	393	4,150
	\$ 4,391,972	4,393,248	2,696,172	1,692,533	393	4,150
December 31, 2021						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 200,000	201,400	201,400	-	-	-
Notes payable	283,891	283,891	283,891	-	-	-
Accounts payable	4,142,887	4,142,887	2,176,173	1,966,714	-	-
Other payables	295,238	295,238	295,238	-	-	-
Other current liabilities (leases liabilities)	1,854	1,877	1,877	-	-	-
Other non-current liabilities (leases liabilities)	5,106	6,184	-	1,543	393	4,248
	\$ 4,928,976	4,931,477	2,958,579	1,968,257	393	4,248
June 30, 2021						
Non-derivative financial liabilities						
Notes payable	\$ 289,786	289,786	289,786	-	-	-
Accounts payable	3,646,549	3,646,549	1,910,778	1,735,771	-	-
Other payables	206,111	206,111	206,111	-	-	-
Other current liabilities (leases liabilities)	2,615	2,652	2,652	-	-	-
Other non-current liabilities (leases liabilities)	8,030	9,275	-	3,891	1,038	4,346
	\$ 4,153,091	4,154,373	2,409,327	1,739,662	1,038	4,346

The Consolidated Company does not expect that the occurrence timing of cash flow analyzed on due date would arrive significantly earlier, nor that the actual amount would significantly vary.

2. Other price risk

On the reporting date, if the price of equity securities fluctuates (two periods of analysis are based on the same basis, assuming that other variable factors remain unchanged), the impact on the comprehensive profit and loss items is as follows:

	Jan. - Jun. 2022		Jan. - Jun. 2021	
	After-tax other comprehensive income	After-tax profit or loss	After-tax other comprehensive income	After-tax profit or loss
Securities price on the reporting date				
Up by 10%	\$ 38,234	6,414	41,546	6,870
Down by 10%	\$ (38,234)	(6,414)	(41,546)	(6,870)

3. Fair value information

1) Type and fair value of financial instruments

Financial assets and liabilities measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income are measured at fair value on a repeatability basis. The carrying amount and fair value of various types of financial assets and financial liabilities (including fair value level information, then again the carrying amount of financial instruments not measured by fair value is a

reasonable approximation, and the fair value of equity instrument investment lease liabilities without quotation in the active market that cannot be reliably measured, the fair value is not required to be disclosed according to regulations) are listed as follows:

		2022.6.30				
		Fair value				
		Carrying amount	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through Profit or Loss						
Financial assets mandatorily measured at fair value through profit or loss						
	\$	64,140	64,140	-	-	64,140
Financial Assets at Fair Value through Other Comprehensive Income						
	\$	387,960	382,344	-	5,616	387,960
Financial Assets Measured at Amortized Cost						
Cash and cash equivalents						
	\$	5,005,191	-	-	-	-
Notes receivable and accounts receivable (including related parties)						
		1,660,283	-	-	-	-
Other financial assets-current						
		193,693	-	-	-	-
Other financial assets-non-current						
		20,489	-	-	-	-
Subtotal						
		6,879,656	-	-	-	-
Total						
	\$	7,331,756	446,484	-	5,616	452,100
Financial liabilities measured at amortized cost						
Short-term loans						
	\$	10,000	-	-	-	-
Notes payable and accounts payable						
		3,837,866	-	-	-	-
Other current liabilities (leases liabilities)						
		1,611	-	-	-	-
Other non-current liabilities (leases liabilities)						
		4,463	-	-	-	-
Other payables						
		538,032	-	-	-	-
Total						
	\$	4,391,972	-	-	-	-
		2021.12.31				
		Fair value				
		Carrying amount	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through Profit or Loss						
Financial assets mandatorily measured at fair value through profit or loss						
	\$	80,722	80,722	-	-	80,722
Financial assets measured at fair value through other comprehensive income						
	\$	449,201	442,568	-	6,633	449,201
Financial Assets Measured at Amortized Cost						
Cash and cash equivalents						
	\$	4,024,912	-	-	-	-
Notes receivable and accounts receivable (including related parties)						
		1,824,871	-	-	-	-
Other financial assets-current						
		310,140	-	-	-	-
Other financial assets-non-current						
		22,324	-	-	-	-
Subtotal						
		6,182,247	-	-	-	-
Total						
	\$	6,712,170	523,290	-	6,633	529,923
Financial liabilities measured at amortized cost						
Short-term loans						
	\$	200,000	-	-	-	-
Notes payable and accounts payable						
		4,426,778	-	-	-	-
Other current liabilities (leases						
		1,854	-	-	-	-

liabilities)					
Other non-current liabilities (leases liabilities)	5,106	-	-	-	-
Other payables	295,238	-	-	-	-
Total	\$ 4,928,976	-	-	-	-
2021.6.30					
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through Profit or Loss					
Financial assets mandatorily measured at fair value through profit or loss	\$ 68,696	68,696	-	-	68,696
Financial assets measured at fair value through other comprehensive income	\$ 422,171	415,455	-	6,716	422,171
Financial Assets Measured at Amortized Cost					
Cash and cash equivalents	\$ 4,202,298	-	-	-	-
Notes receivable and accounts receivable (including related parties)	1,582,304	-	-	-	-
Other financial assets-current	215,314	-	-	-	-
Other financial assets-non-current	15,464	-	-	-	-
Subtotal	6,015,380	-	-	-	-
Total	\$ 6,506,247	484,151	-	6,716	490,867
Financial liabilities measured at amortized cost					
Notes payable and accounts payable	\$ 3,936,335	-	-	-	-
Other current liabilities (leases liabilities)	2,615	-	-	-	-
Other non-current liabilities (leases liabilities)	8,030	-	-	-	-
Other payables	206,111	-	-	-	-
Total	\$ 4,153,091	-	-	-	-

2) Details of changes in Level 3

	Measured at fair value through other comprehensive income
	Equity instruments without public quotes
January 1, 2022	\$ 6,633
June 30, 2022	\$ 5,616
January 1, 2021	\$ 5,825
June 30, 2021	\$ 6,716

The above total profit or loss is reported in “unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income.” Among them, the assets still held on June 30, 2022 and 2021 are as follows:

	<u>Apr. - Jun.</u> <u>2022</u>	<u>Apr. - Jun.</u> <u>2021</u>	<u>Jan. - Jun.</u> <u>2022</u>	<u>Jan. - Jun.</u> <u>2021</u>
Total profit or loss				
Recognized in other comprehensive income (under unrealized valuation gains and losses from "financial assets at fair value through other comprehensive income")	<u>\$ (1,150)</u>	<u>(137)</u>	<u>(1,017)</u>	<u>891</u>

- 3) There was no matter of transfer between each level during the periods from January 1 to June 30, 2022 and 2021.

(19) Financial risk management

There is no significant difference between the goals and policies of the Consolidated Company's financial risk management and the information disclosed in Note 6(19) to the 2021 consolidated financial statements.

(20) Capital management

The goals, policies, and procedures of the Consolidated Company's capital management are in line with the information disclosed in Note 6(20) to the 2021 consolidated financial statements. The aggregated quantitative data of the projects used as capital management in the current period is as follows:

	<u>2022.6.30</u>	<u>2021.12.31</u>	<u>2021.6.30</u>
Total Liabilities	\$ 6,435,173	5,766,604	5,330,692
Less: Cash and cash equivalents	<u>(5,005,191)</u>	<u>(4,024,912)</u>	<u>(4,202,298)</u>
Net liabilities	1,429,982	1,741,692	1,128,394
Total Equity	<u>3,466,765</u>	<u>3,511,139</u>	<u>3,527,634</u>
Adjusted capital	<u>\$ 4,896,747</u>	<u>5,252,831</u>	<u>4,656,028</u>
Debt-to-capital ratio	<u>29%</u>	<u>33%</u>	<u>24%</u>

7. Related-Party Transactions

(1) The parent company and the ultimate controlling party

Kindom Development Co., Ltd. is the parent company of the Consolidated Company and the ultimate controller of the Group to which it belongs. It holds 34.18% of the outstanding ordinary shares of the Consolidated Company. Kindom Development Co., Ltd. has prepared consolidated financial statements for public use.

(2) Names and relation of related parties

The related parties which have trading with the Consolidated Company within the period of the financial report are as follows:

<u>Name of related parties</u>	<u>Relationship with the Consolidated Company</u>
Kindom Development Co., Ltd.	The parent company of the Company
ReadyCom eServices Corp.	Associates
Kindom Yu San Education Foundation	The entity's chairman is the first-degree relatives of the Company's Directors

(3) Significant transactions with related parties

1. Sales of services to related parties

The substantial sales amount of the Consolidated Company to related party were as follows:

		<u>Apr. - Jun. 2022</u>			
	<u>Nature</u>	<u>Total contract amount</u>	<u>Valuated amount</u>	<u>Current valuation amount</u>	<u>Income recognized in the current period</u>
Parent company - Kindom Development Co., Ltd.	Engineering construction	<u>\$ 11,599,174</u>	<u>438,916</u>	<u>438,916</u>	<u>385,260</u>

		<u>Apr. - Jun. 2021</u>			
	<u>Nature</u>	<u>Total contract amount</u>	<u>Valuated amount</u>	<u>Current valuation amount</u>	<u>Income recognized in the current period</u>
Parent company - Kindom Development Co., Ltd.	Engineering construction	<u>\$ 10,943,436</u>	<u>632,043</u>	<u>632,043</u>	<u>960,972</u>

		<u>Jan. - Jun. 2022</u>			
	<u>Nature</u>	<u>Total contract amount</u>	<u>Valuated amount</u>	<u>Current valuation amount</u>	<u>Income recognized in the current period</u>
Parent company - Kindom Development Co., Ltd.	Engineering construction	<u>\$ 11,599,174</u>	<u>3,302,658</u>	<u>903,206</u>	<u>773,187</u>

		<u>Jan. - Jun. 2021</u>			
	<u>Nature</u>	<u>Total contract amount</u>	<u>Valuated amount</u>	<u>Current valuation amount</u>	<u>Income recognized in the current period</u>
Parent company - Kindom Development Co., Ltd.	Engineering construction	<u>\$ 10,943,436</u>	<u>6,169,759</u>	<u>1,256,086</u>	<u>1,592,541</u>

- 1) The construction projects contracted by the Consolidated Company from related parties are compliant with the outsourcing regulations of the related parties, plus a reasonable management fee and profit in accordance with the project budget. After the price comparison and negotiation procedures, the contract prices are determined after they are submitted to the supervisors for approval.
- 2) From January 1 to June 30, 2022 and 2021, the gross profit margin of the construction projects contracted by the Consolidated Company from non-affiliates was approximately 5.50%~25.18% and 1.92%~23.66%; that of the affiliates was about 2.03%~4.64% and 3.74%~4.64%, respectively.

2. Status of claims and debts, contract assets, contract liabilities

The Consolidated Company's claims and debts and contract assets from related parties are as follows:

<u>Accounting items</u>	<u>Type of related parties</u>	<u>2022.6.30</u>	<u>2021.12.31</u>	<u>2021.6.30</u>
Accounts Receivable	Parent company - Kindom Development Co., Ltd.	\$ 665,650	820,009	986,517
Other payables	Associates - ReadyCom eServices Corp.	150	-	-
Contract assets	Parent company - Kindom Development Co., Ltd.	133,678	205,758	243,626
Contract assets (retention receivables)	Parent company - Kindom Development Co., Ltd.	12,650	16,746	26,861
Contract liabilities	Parent company - Kindom Development Co., Ltd.	19,183	-	59,492
		<u>\$ 831,311</u>	<u>1,042,513</u>	<u>1,316,496</u>

For 2022 and 2021, the collection period of the Consolidated Company from related parties was 50% due immediately, 50% due in 60 days, or 100% due in 90 days; for 2022 and 2021, one assessment was performed on general cases in a month, 100% due immediately, or 100% due in 30 days, or 50% due in 30 days, 50% due in 90 days.

3. Endorsements/guarantees

On June 30, 2022, December 31, 2021, and June 30, 2021, the Consolidated Company was the joint partner and joint debtor of the parent company - Kindom Development Co., Ltd. for cooperative development and construction to the amount of NT\$28,384 thousand.

4. Leases

For the six-month periods ended June 30, 2022 and 2021, the Consolidated Company leased to the parent company, Kindom Development Co., Ltd., an office building and signed a tenancy agreement. Taking into account the rental market prices of offices in neighboring areas., the total contract value was NT\$294 thousand per month. The rent income was NT\$840 thousand, NT\$840 thousand, NT\$1,680 thousand, and NT\$1,680 thousand for the periods from April 1 to June 30, 2022 and 2021, and January 1 to June 30, 2022 and 2021.

The Consolidated Company leased the office building from its parent company, Kindom Development Co., Ltd., with a total contract value of NT\$575 thousand per month from January 1 to June 30, 2022 and 2021. The rent expenses were NT\$1,643 thousand, NT\$1,643 thousand, NT\$3,286 thousand, and NT\$3,286 thousand for the periods from April 1 to June 30, 2022 and 2021, and January 1 to June 30, 2022 and 2021.

5. Others

- 1) The Consolidated Company donated a total of NT\$4,500 thousand and NT\$3,000 thousand to Kindom Yu San Education Foundation in the periods from January 1 to June 30, 2022 and 2021, respectively, for the promotion of foundation affairs.
- 2) In 2022 and 2021, the Consolidated Company entered into a professional service contract with Kindom Development Co., Ltd., the parent company, for the provision of engineering research, recommendations, and education by the Consolidated Company at a total contract price of NT\$977 thousand and NT\$1,060 thousand, which was fully settled as of June 30, 2022.
- 3) The Consolidated Company signed an information project consultancy service contract with ReadyCom eServices Corp. in December 2021 with a total contract value of NT\$50 thousand per month.

(4) Key management personnel transactions

Remuneration to major management personnel includes:

	Apr. - Jun. 2022	Apr. - Jun. 2021	Jan. - Jun. 2022	Jan. - Jun. 2021
Short-term Employee Benefits	\$ 40,187	26,356	74,319	60,083
Benefits after retirement	58	65	126	112
	<u>\$ 40,245</u>	<u>26,421</u>	<u>74,445</u>	<u>60,195</u>

8. Pledged Assets

Details of the carrying value of pledged assets by the Consolidated Company were as follows:

Name of assets	Pledge guarantee object	2022.6.30	2021.12.31	2021.6.30
Other financial assets - current	Loan facilities collaterals and construction guarantees	\$ 170,668	179,276	160,091
Property, plant, and equipment - net	Loan facilities collaterals	99,400	53,200	53,200
Net amount of investment property	Loan facilities collaterals	48,805	95,121	95,237
		<u>\$ 318,873</u>	<u>327,597</u>	<u>308,528</u>

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Significant unrecognized contract commitments:

1. On June 30, 2022, December 31, 2021 and June 30, 2021, the total amounts of material construction contracts by the Consolidated Company were NT\$53,039,592 thousand, NT\$46,613,096 thousand and NT\$41,913,517 thousand respectively, and the payments received according to the contract were NT\$13,103,747 thousand, NT\$7,741,953 thousand and NT\$17,279,135 thousand, respectively.
2. Approved by the Board of Directors on December 27, 2021, and December 30, 2020, the Consolidated Company committed to donate NT\$9,000 thousand and NT\$6,000 thousand to the Kindom Yu San Education Foundation in 2022 and 2021 for the promotion of the foundation's business.

(2) Contingent liability

In relation to the construction project under Project Code 061M, the Company was asked for joint damages amounting to NT\$20,131 thousand; however, due to a lack of evidence, the case is currently undergoing mediation.

10. Significant Disaster Loss: None.

11. Significant Events after the End of the Financial Reporting Period: None.

12. Others

- (1) The function of employee benefits, depreciation, depletion, and amortization are summarized as follows:

Function Nature	Apr. - Jun. 2022			Apr. - Jun. 2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Salaries and wages	\$ 144,255	50,047	194,302	114,016	47,410	161,426
Labor insurance and national health insurance	11,279	2,671	13,950	9,184	2,425	11,609
Pension expenses	4,503	2,128	6,631	4,184	1,345	5,529
Other employee benefits expenses	204	2,198	2,402	16	1,864	1,880
Depreciation expense	1,034	2,869	3,903	1,285	3,716	5,001
Depletion expenses	-	-	-	-	-	-
Amortization expenses	-	-	-	-	-	-

Function Nature	Jan. - Jun. 2022			Jan. - Jun. 2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Salaries and wages	\$ 262,545	94,237	356,782	239,544	92,166	331,710
Labor insurance and national health insurance	20,717	5,127	25,844	18,628	4,942	23,570
Pension expenses	8,852	3,584	12,436	8,538	3,475	12,013
Other employee benefits expenses	786	3,752	4,538	586	2,438	3,024
Depreciation expense	2,069	5,482	7,551	3,008	6,834	9,842
Depletion expenses	-	-	-	-	-	-
Amortization expenses	-	-	-	-	-	-

(2) Seasonality of operation: The operation of the Consolidated Company is not affected by seasonal or periodic factors.

13. Disclosure Notes

(1) Information on material transactions

In the period from January 1 to June 30, 2022, the Consolidated Company shall disclose information related to significant transactions pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Such information is as follows:

1. Loan of funds to others: none.
2. Endorsement/guarantees for others:

Unit: NT\$ thousand

No.	Name of endorsee/guarantee provider	Subject of endorsements/guarantees		Limit on endorsement/guarantees provided for a single party (Note 2)	Maximum balance for this period	Outstanding Endorsements/guarantees - Ending	Actual expenditure	Endorsement guarantee amount secured by the property	The ratio of accumulated endorsement guarantee amount to the net value of the latest financial statements	Maximum endorsement/guarantee amount (Note 2)	Endorsement/guarantees provided by subsidiaries to parent company	Endorsement/guarantees provided by parent company to subsidiaries	Endorsement/guarantee provided to subsidiary in China
		Company name	Relationship (Note 1)										
0	Kedge Construction Co., Ltd.	Kindom Development Co., Ltd.	Parent/Subsidiary Company	\$ 6,933,160	14,192	14,192	14,192	-	0.41%	6,933,160	-	Y	-
1	Dingtian Construction Co., Ltd.	Kindom Development Co., Ltd.	Parent/Subsidiary Company	47,689	14,192	14,192	14,192	-	29.76%	47,689	-	Y	-
1	"	Kedge Construction Co., Ltd.	"	7,153,385	1,376,500	1,376,500	1,376,500	-	2,886.41%	14,306,770	-	Y	-

Note 1: Listed below are seven types of relationship between endorser and endorsee—simply indicating the type will suffice:

- (1) A company with which the Company has a business relationship.
- (2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- (3) A company that directly or indirectly holds more than 50% of the voting shares in the Company.
- (4) Companies in which the Company holds directly or indirectly 90% or more of the voting rights.
- (5) Where a company fulfills its contractual obligations by providing mutual endorsements for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) Where all capital contributing shareholders make endorsements for their jointly invested company in proportion to their shareholding percentages.
- (7) Where companies in the same industry provide among themselves joint and several securities for a performance bond of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: 1. The Company's endorsement method is that the total amount of external endorsements shall not exceed 200% of the net value of the Company's latest financial statements, and the endorsement amount for a single enterprise shall not exceed 200% of the net value of the Company's latest financial statements. The aggregate amount of endorsements/guarantees on all construction projects shall not exceed 10 times its net equity as stated in its latest financial statement, and the aggregate amount of endorsements/guarantees on a single construction project shall not exceed 5 times its net equity as stated in its latest financial statements.

2. The endorsement method of Dingtian Construction Co., Ltd. is that the total amount of external endorsement shall not exceed 100% of the net value of the latest financial statements of the Company, and the endorsement amount for a single enterprise shall not exceed 100% of the net value of the latest financial statements of the Company. The aggregate amount of endorsements/guarantees on all construction projects shall not exceed 300 times its net equity as stated in its latest financial statement, and the aggregate amount of endorsements/guarantees on a single construction project shall not exceed 150 times its net equity as stated in its latest financial statements.

Note 3: The above transactions have been written off at the time of preparation of the consolidated financial statements.

3. Securities held at the end of the period (excluding investment in subsidiaries & associates and interest in joint ventures):

Unit: NT\$ thousand

Holding company	Types and names of securities	Relationship with the securities issuer	Accounting item	End of period				Remarks
				Number of shares (thousand shares)	Carrying amount	Shareholding Ratio	Fair value	
Kedge Construction Co., Ltd.	Shares - Kindom Development Co., Ltd.	Kedge Construction Co., Ltd. is its subsidiary	Financial assets measured at fair value through other comprehensive income - non-current	550	\$ 17,930	0.10 %	17,930	
Jiequn Investment Co., Ltd.	Shares - Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	537	32,090	- %	32,090	
"	Shares - SinoPac Financial Holdings Co., Ltd.	-	"	211	3,547	- %	3,547	

"	Shares - Kindom Development Co., Ltd.	Jiequn Investment is the second-tier subsidiary of that company.	Financial assets measured at fair value through other comprehensive income - non-current	9,373	305,563	1.69 %	305,563
"	Shares - Fubon Financial C Special	-	"	11	648	- %	648
"	Shares - Taiwan Calcom International Computer Graphic Co., Ltd.	-	"	405	-	0.78 %	-
Guanqing Electromechanical Co., Ltd.	Shares - Kindom Development Co., Ltd.	Guanqing Electromechanical is the second-tier subsidiary of that company.	Financial assets measured at fair value through other comprehensive income - non-current	1,768	57,627	0.32 %	57,627
"	Shares - Fubon Financial C Special	-	"	10	576	- %	576
"	Shares - Global Views-Commonwealth Publishing Co.	-	"	145	5,616	0.59 %	5,616
"	Shares - Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	477	28,503	- %	28,503

4. Accumulated to buy or sell the same marketable securities amount to NT\$300 million or more than 20% of the paid-up capital: None.
5. The amount of property acquired reaches NT\$300 million or more than 20% of the paid-in capital: none.
6. The amount of property disposal reaches NT\$300 million or more than 20% of the paid-in capital: none.
7. Where the amount of goods purchased or sold with related parties reaches NT\$100 million or more than 20% of the paid-in capital: none.

Unit: NT\$ thousand

Purchasing (Selling) Company	Name of transaction counterparty	Relationship	Transaction situation				The situation and reason for the difference between the transaction terms and the general transaction		Notes/accounts receivable (or payable)		Remarks
			Purchases/sales	Amount (Note)	As a percentage of total purchases (sales)	Loan period	Unit Price	Loan period	Balance	Ratio to total notes and accounts receivable (payable)	
Kedge Construction Co., Ltd.	Kindom Development Co., Ltd.	An investment company that evaluates Kedge Construction Co., Ltd. by the equity method	Contracting	\$ (903,206)	(14.17)%	Payment by installment following the contract is equivalent to the general transaction.	Equivalent to other transactions	Slightly longer than normal	678,300	26.45%	

Note: It refers to the current valuation amount.

8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

Unit: NT\$ thousand

The companies that record such transactions as receivables	Name of transaction counterpart	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the period	Provisions for loss allowance
					Amount	Treatment Method		
Kedge Construction Co., Ltd.	Kindom Development Co., Ltd.	An investment company that evaluates Kedge Construction Co., Ltd. by the equity method	\$ 678,300	2.04	-	-	125,966	-

9. Derivative financial instrument transactions: None.

10. Business relationship and significant transactions between parent company and subsidiaries:

No.	Trader's name	Name of the transaction counterpart	Nature of Relationship	Transactions			
				Account	Amount	Terms of transaction	Ratio to consolidated total operating revenue or total assets
0	Kedge Construction Co., Ltd.	Guanqing Electromechanical Co., Ltd.	1	Contract liabilities	\$ 10,689	Equivalent to general transactions	0.11%
0	"	"	1	Notes and accounts payables	40,968	"	0.41%
0	"	"	1	Operating costs	23,433	"	0.47%
0	"	Dingtian Construction Co., Ltd.	1	Contract liabilities	7,566	"	0.08%
0	"	"	1	Notes and accounts payables	18,383	"	0.19%
0	"	"	1	Operating costs	30,117	"	0.60%
0	"	"	1	Operating expenses	930	"	0.02%
1	Guanqing Electromechanical Co., Ltd.	Kedge Construction Co., Ltd.	2	Contract assets	10,689	"	0.11%
1	"	"	2	Notes and accounts receivable	40,968	"	0.41%
1	"	"	2	Operating revenue	23,443	"	0.47%
2	Dingtian Construction Co., Ltd.	"	2	Contract assets	7,566	"	0.08%
2	"	"	2	Notes and accounts receivable	18,383	"	0.19%
2	"	"	2	Operating revenue	31,047	"	0.62%

Note 1: Instruction for numbering.

1. The parent company is numbered 0.
2. Subsidiaries are numbered in sequence, starting with the numeral 1, according to company type.

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

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

Note 3: The above transactions have been written off at the time of preparing the consolidated financial report.

(2) Information on reinvestment

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

Unit: NT\$ thousand/thousand shares

Name of investment company	Investee	Location	Principal business	Original investment amount		Holdings at the end of the period			Net income (loss) of the investee	Share of profit/loss of investee	Remarks
				End of this period	End of last year	Number of Shares	Ratio	Carrying amount			
Kedge Construction Co., Ltd.	Jiequn Investment Co., Ltd.	Taiwan	General Investment	\$ 163,935	163,935	16,396	99.98%	441,474	(10,703)	(10,701)	Subsidiary
Kedge Construction Co., Ltd.	Guanqing Electromechanical Co., Ltd.	Taiwan	Electrical equipment installation and fire safety equipment installation, etc.	81,326	81,326	7,747	99.96%	223,666	(10,528)	(10,524)	"
Jiequn Investment Co., Ltd.	Dingtian Construction Co., Ltd.	Taiwan	The comprehensive construction industry, etc.	16,500	16,500	-	30.00%	14,307	(384)	(115)	Second-tier subsidiary
Guanqing Electromechanical Co., Ltd.	Dingtian Construction Co., Ltd.	Taiwan	The comprehensive construction industry, etc.	11,105	11,105	-	70.00%	33,382	(384)	(269)	"
Dingtian Construction Co., Ltd.	ReadyCom eServices Corp.	Taiwan	Information software services and management consultants, etc.	15,000	15,000	1,400	46.67%	14,385	(1,574)	(735)	Investments accounted for using equity method

Note: The transactions of the above subsidiaries and second-tier subsidiaries have been written off at the time of preparing the consolidated financial statements.

(3) Information on investments in Mainland China:

1. Relevant information incl. names and principal business of investees in Mainland China: None.
2. Limit of investment in Mainland China: None.
3. Material transactions with investee companies in Mainland China: None.

(4) Information on major shareholders:

Expressed in shares

Name of Major Shareholders	Shareholding (shares)	Shareholding Ratio
Kindom Development Co., Ltd.	36,247,768	34.18%
Yute Investment Co., Ltd.	8,785,536	8.28%

14. Segment Information

The operation department of the Consolidated Company which should be reported is only the construction segment. The construction segment is mainly responsible for the integrated operation and maintenance of construction, management, and other overall works. The information on segment profit and loss, segment assets, and segment liabilities are consistent with the financial statements. Please refer to the consolidated balance sheets and consolidated statements of comprehensive income for details.