Stock Code：2516

New Asia Construction & Development Corp.

Annual Report 2021

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Notice to readers
This English version annual report is a translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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V. The Corporation does not issue any overseas securities.

VI. Corporate website: www.newasia.com.tw

Table of Contents

Chapter 1 Letter to Shareholders…… 5
Chapter 2 Corporation Profile…… 12
I. Date of Incorporation
II. Corporation History
Chapter 3 Corporate Governance Report …… 17
I. Organization
II. Information about directors, general manager, vice general manager, associate manager, and head of departments and branches
III. Remuneration paid during the most recent fiscal year to directors, general manager and vice general manager
IV. Implementation of corporate governance
V. Information on CPA professional fees
VI. Information on replacement of CPAs
VII. Information about Corporation chairman, general manager, or any managerial officer in charge of finance or accounting matters in the most recent fiscal year holding a position at the Corporation's CPA accounting firm or at an affiliated enterprise of such accounting firm
VIII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, managerial officer, or shareholder with a stake of more than 10 percent
IX. Relationship information, if any one, among the Corporation's ten largest shareholders, is a related party or a relative within the second degree of kinship of another
X. Total number of shares and total equity stake held in any single enterprise by the Corporation, its directors, managerial officers, and any companies controlled either directly or indirectly by the Corporation
Chapter 4 Capital Overview …….. 82
I. Capital and shares
II. Issuance of corporate bonds
III. Issuance of preferred shares
IV. Status of participation in issuance of Global Depository Receipts (GDRs)
V. Status of employee stock option
VI. Status of restricted employee share subscription warrant
VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies
VIII. Implementation status of capital utilization plan

Chapter 5 Operational Highlights……89
I. Business activities
II. Analysis of the market as well as production and marketing situation
III. Employees
IV. Environmental protection expenditure
V. Labor relations
VI. Cyber security management
VII. Important Contracts

Chapter 6 Financial Information……109
I. Condensed balance sheets and statements of comprehensive income for the past five fiscal years
II. Financial analyses for the past five fiscal years
III. Supervisors' or Audit Committee's Review Report for the most recent fiscal year's financial statement
IV. Financial statements for the most recent fiscal year
V. Parent company-only financial statement for the most recent fiscal year, certified by the CPA
VI. In the most recent fiscal year and up to the date of publication of the annual report, any financial difficulties experienced by the Corporation or its affiliates and how said difficulties will affect the Corporation's financial situation

Chapter 7 Review and Analysis of the Corporation's Financial Position and Financial Performance, and Listing of Risks. ……..242
I. Financial position
II. Financial performance
III. Cash flow
IV. Major capital expenditure for the most recent year and its effect on financial position and operation of the Corporation
V. Corporation reinvestment policy for the most recent fiscal year, main reasons for profits/losses generated thereby, plan for improving reinvestment profitability, and investment plans for coming year
VI. Analysis and evaluation of risk factors
VII. Other important matters

Chapter 8 Special Disclosure ……247
I. Information on the Corporation affiliates
II. Private placement of securities during the most recent fiscal year and up to the date of publication of the annual report
III. Holding or disposal of the Corporation's stock by subsidiaries during the most recent year and up until the date of publication of the annual report
IV. Other supplementary disclosure

Chapter 9 Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Corporation's Securities Occurring During the Most Recent Fiscal Year and Up to the Date of Publication of the Annual Report ……249

2021 business report and 2022 business plan and outlook

The Corporation was established in 1967 and has been operating mainly in the field of engineering and construction with public projects as its main objective since then. Among the public projects, each has an average period of 3-5 years. In 2021, there were major public projects underway, including the Chung-Ho LG06 station, Ankeng LRT, Tainan Urban District Railway Underground Project, Gangshan MRT, Nanfang'ao Bridge and social housing. In the future, in addition to public projects, we will actively develop trending opportunities, including energy storage and supply facilities, nuclear power-related facilities, data centers for domestic and foreign high-tech companies, production bases for semiconductor-related industries, and offices for cutting-edge research. Recognizing trends and trying different opportunities will bring new developments and create the most value for the Corporation.

We have stated in the 2020 Business Report about the COVID-19 pandemic, shortage of materials and labor, domestic and foreign political turmoil, and government inefficiency, etc. These issues continue to trouble the manufacturing industry and tend to increase day by day. If discussing in depth, these are irresistible environmental factors that are beyond the industry's ability to counteract. The only way to reduce the pain and suffering of the companies is to have a proactive government policy. The unfavorable environmental factors described in 2020 were not improved and even continue to increase in 2021. In fact, the survival of the industry has been jeopardized, and it is the common voice of the practitioners to fight for survival in the coming 2022.

I. Review of 2021:

(I) COVID-19 Pandemic Intensified By Omicron Variant

The COVID-19 outbreak originated in the fall of 2019 and it was only recognized as a regional infection in the public health message at that time, and thus regional control measures were considered sufficient. In half a year's time, the disease has spread around the world and the mortality rate has been increasing, causing panic in various countries. They started to adopt regional and border control measures to stop the disease. Similarly, our country has also adopted a zero-COVID policy and implemented border control measures, but there are still cases slipped through the net, and we were forced to adopt a Level 3 alert from May 19 to July 26, 2021 to completely block the transmission route in human-to-human gatherings.

In the fall of 2011, Taiwan's pandemic prevention seems to have been effective with the planned relaxation of border control and migrant worker

entry. The outbreak of Omicron, a variant of COVID-19, has worsened the pandemic once again, and expectations of deregulation and revival of economic activity have again been defeated.

(II) Taiwan's labor shortage is getting worse

1. The labor shortage in Taiwan is more than just a shortage of skilled laborers. There is also a shortage of construction management engineers. In various reports over the years, it has been clearly pointed out that, sub-replacement fertility has caused negative population growth in Taiwan; and the aftereffect of education reform has caused the imbalance of manpower structure in Taiwan's workplace at the technical level. The population policy and its corresponding education system are indeed national policy-oriented. Without a clear direction, it may turn into a serious human resource crisis.

2. The crowding effect of public projects and private projects has occurred. The annual volume of public projects launched in the past is about NT$400-500 billion. According to the statistics done by the competent authority, the total contracting volume in 2021 reached approximately NT$670 billion, which has actually exceeded the established market capacity. In addition, the volume of private projects has also increased, which comes from many plants to be established by returned Taiwanese businessman and the booming real estate development industry. Both public and private projects require the use of limited human and material resources from the same source on the island, thus creating a serious crowding effect.

(III) Lack of raw materials and the price of building materials on the rise

1. There was an upward price trend of metal materials in the fall of 2021 in Taiwan. First, we encountered the sharp rise in international copper prices, followed by the continued surge in building materials, hardware and steel prices. The increase is evident in the comparison of the Public Construction Commission’s Construction Classification Index. "Metal Products" increased 28.82% (151.75/117.80, 2020 and 2021 GDP deflator); "Section steel" increased 25.11% (160.09/127.96, 2020 and 2021 GDP deflator).

2. Both offshore wind power and electronic factory construction projects take steel construction as the mainstream, using high unit price incentives to strive for the goal of short-term completion. Driven by such profit trend, Taiwan's first and second production line in steel plants are almost full. However, civil steel structure in

public projects is difficult to get the attention of steel manufacturers due to low unit price and complex procedures.

(IV) The aftermath of the lack of workers and materials and the effects of COVID-19

The "labor shortage" in the manufacturing industry has been a long-standing structural problem of the society's human resources, and the government has never come up with a fundamental solution. The entanglement of the alternating generations will become more and more intense as time goes on. The principle planning by the government is to supplement the fundamental labor force by migrant workers. However, due to the COVID-19 pandemic, both the exporting countries and Taiwan have adopted two-way border control until March 2022. The importation of migrant workers is still an issue. The entangled dilemma of shortage of workers has not been alleviated.

The major "shortage of materials" in the manufacturing industry is metal and plasticized materials. Taiwan has a crisis of supply and demand imbalance as a result of the global production chain and transportation energy affected by the pandemic. Furthermore, such shortage is increasing day by day, resulting in the disorder of the market.

II. Operational status in 2021:

(I) Current status of joint venture operations: In 2015, the Corporation participated in a joint venture with Taiwan Life Insurance Co., Ltd. to jointly establish He-Fa Land Development Co., Ltd., which became the contractor of Kaohsiung City Government for "Ho Fa Industrial Park" development project.

1. All of the accepted agency projects have been completed and entered the warranty stage, except for the wastewater treatment plant, which is not yet ready for acceptance due to insufficient wastewater volume.

2. There are only two lots left for the land sale. The first is the pre-acquired land by Taiwan Right Enterprise Co., Ltd. The planned electricity consumption of the company exceeded the expectation; thus, the actual electricity consumption of the whole region had to be readjusted to meet the requirements of the EIA. The second is Hechun Base Electricity Business Land. Land use district changes are being processed to facilitate the sale.

3. The capital was reduced by NT$1 billion on Oct. 8, 2021 and the paid-in capital was NT$2,783.2 million after the capital reduction.

Of the current year's capital reduction, NEW ASIA CORP. received back NT$100 million of its proportionate share of the investment.

(II) The projects that were completed in 2021:

1. National Freeway 4 Taichung Circular Line Fengyuan-Tanzi Section Tender C715 Project, the full amount of the completed project is NT$2.034 billion.
2. New Student Dormitory Project at Gongguan Campus, National Taiwan Normal University, the full amount of the completed project is NT$1.239 billion.
3. The total amount of the above two completed projects is NT$3.273 billion.

(III) We are proud that: Construction risk assessment has become a necessary part of safety and health management. The Kaohsiung Rapid Transit Red Line Gangshan Extension Line Phase I Project was found to have many construction risks after risk assessment of the original basic design. The revised construction procedures and work methods were recognized by the owner and the Ministry of Labor with "Golden Safety Award" awarded.

(IV) The revenue for 2021: Totaled NT$ 8.42 billion (tax included).

III. New business in 2021:

(I) Directorate General of Highways, Ministry of Transportation and Communications - East-West Expressway Provincial Highway 76 (11k+585～16k+607) Xizhuang - Xihu Section construction project, the full amount of the project is NT$5.365 billion.

(II) The National Housing and Urban Regeneration Center - Xindu Section Social Housing turnkey construction project in Sanmin Dist., Kaohsiung City, the full amount of the project is NT$1.3625 billion.

(III) The National Housing and Urban Regeneration Center - Ching-Feng-An-Jiu Social Housing turnkey construction project in Nanzi Dist., Kaohsiung City. The full amount of the project is NT$5.129 billion.

(IV) Total price for the new business in 2021: NT$ 11.856 billion.

IV. Plans and outlook for 2022

(I) Public works:

Housing and transportation are fundamental to the development of society, so we focus on the public work construction in terms of expressways and social housing. As the need of society changes, infrastructure needed by

the country to serve the people is increasing, leading to the diversified development of domestic industries. The foundation of such a multivariate facility must be an energy-related facility. Thus, our future direction for public works will be to work with Taiwan CPC and Taiwan Power Company to work on public works projects for national energy development.

(II) Energy storage and supply facilities:

Taiwan's energy transition principle is based on "promote green energy, increase natural gas, reduce coal-fired, achieve nuclear-free" in the planning of the Ministry of Economic Affairs, ROC, in which increasing natural gas will be the main core to support domestic power generation. To achieve the energy transition target, natural gas will account for 50% of electricity generation, meaning that storage facilities for Liquefied Natural Gas (LNG) will be a major cornerstone of the country's energy transition policy. In response to this energy transition policy, CPC and FPCC will plan large-capacity LNG storage tanks to meet the future expansion of domestic electricity and energy demand. It is estimated that there will be nearly NT$250 billion of project volume to meet the design plan of the current energy policy. We will actively strive to work closely with Taiwan CPC and collaborate with domestic and foreign professional equipment makers to contribute to the domestic energy transition.

(III) Nuclear power-related facilities:

Taiwan's First Nuclear Power Plant (hereinafter referred to as NPP 1) was one of the Ten Major Construction Projects promoted by the R.O.C. government in the 1970s, and has been providing Taiwan with sufficient energy for nearly 50 years and making prosperous industries on this land. The two units in the NPP1 will be officially decommissioned in 2019, and the whole plant will also enter the decommissioning stage. Used nuclear fuel pools are dismantled during the decommissioning transition period, which includes high- and low-level radioactive waste removing from the core and placing them in dry or wet repositories before transferring to the final disposal facility. TPC will need to build a new repository for fuel rod waste during the decommissioning phase of the NPP1. We are one of the few companies in Taiwan that have participated in the construction of nuclear power plants, and we are also a qualified manufacturer of nuclear power-related facilities for the TPC. To facilitate the smooth decommissioning of the nuclear power plant, we will actively assist the TPC to build a fuel rod waste repository.

(IV) Semiconductor Technology Plant:

In 2021, Taiwan generated nearly an output value of NT$4 trillion in the semiconductor industry, accounting for 20% of GDP and driving strong growth for Taiwan's GDP. Thanks to its complete infrastructure and nearly one-stop production chain, Taiwan's booming semiconductor industry has attracted many international semiconductor technology plants to set up factories in Taiwan. ASML Holding N.V., a major semiconductor equipment manufacturer in the Netherlands, is the world leader in the manufacture of exposure machines, the core equipment for the manufacture of integrated circuits, with a market share of more than 90% of similar products in the world's most advanced markets. At present, the ASML Holding N.V. is expected to build the Phase II Plant in Taiwan, and actively planning the new construction project with our Corporation and Marketech International Corp. This is an opportunity for us to expand our high-tech plant construction business and deepen our ties with the high-tech industry.

(V) Data center for domestic and international high-tech companies:

In the wave of the global information revolution, the data centers of major multinational enterprises are not only vital to the enterprises, but also to the customers they serve. Cloud computing has become an irresistible trend. When it comes to processing huge amounts of data and artificial intelligence and machine learning programs that require high computing power, building a data center with sufficient computing power has become a necessity for major information companies. Currently, two of the world's largest public cloud technology companies have invested in building data centers in Taiwan: "Google Data Center located in Changbin Industrial Park, Taiwan and launched in 2013, is the largest data center of Google in Asia. Microsoft announced its 66th Azure Cloud Center in Taiwan in 2020 with the latest and highest specifications, and it is expected to be the largest investment by Microsoft in Taiwan in 31 years and bring digital transformation and change to the ecosystem of Taiwan's industry chain." It has become a trend for international companies to establish data centers in Taiwan. Only by grasping the opportunity to cooperate with multinational companies can we expand our Corporation to a broader future.

(VI) Establishment of Business Department:

In the new year, we will set up a business unit composed of professionals who will focus on new project development, feasibility and budget evaluation. In recent years, the international economy has been hit hard by factors such as the pandemic and the unstable political situation in the world, which in turn has affected the rapid fluctuation in the price of basic

raw materials and the significant increase in labor costs, causing the cost of the construction industry to be different from what it used to be. To control the cost and avoid the quality of the project from being jeopardized at the early stage of the project, we must set up a special team to analyze and predict the cost fluctuation immediately, and study the suitable and effective work method and material more carefully during project evaluation, so that we can undertake the project with reasonable profit and make the Corporation grow sustainably.

(VII) Use information technology to strengthen the effectiveness of the Corporation's system:

Continuing with the new information technology introduced in the "Project Information Management Office" mentioned in the outlook of 2019, this year we will continue to further integrate new information technology to shift the information needed for the different aspects of project management to the cloud so that project personnel can get hold of the situation at each site in real time. With the help of information technology, we will be able to reduce the time and effort of our business and engineering staff in handling administrative sign-offs and focus on developing new business and improving the quality of our work. At the same time, we will make use of cloud platform service to strengthen the Corporation's personnel education system so that new employees can receive the necessary training to join the project and receive advanced training in stages to become knowledgeable and experienced supervisors. By establishing a hierarchical talent development system, the Corporation will be able to continuously train potential talents to expand its business capacity, and avoid the dilemma of having no talents available when the Corporation expands.

Chairman of the board of directors: TZOU HONG-KEE	General manager: Lai Tiao-Tsan	Accounting manager: CHEN PO CHUNG

Chapter 2 Corporation Profile

I. Date of Incorporation: December 4, 1967. II.
Corporation History

1967: Incorporated on December 4, with a capital of NT$12 million. Chairman was Li Cheng-Fang and general manager was Tzou Tzu-Kuen, the Corporation began operations on the fourth floor of Chia Hsin Building, Zhongshan North Road, with an office area of 72 square meters.

1971: Ten major construction projects started, collaborated with Japanese Asunaro Aoki Construction Co. Ltd. on 19 projects including the fifth bid of North-South bound highway from Sanchong to Yangmei. Unfortunately, the chairman, Li Cheng-Fang passed away in a plane crash. Ji-Liang Hu succeeded as chairman and Tzou Tzu-Kuen was the general manager.

1973: Capital was increased to NT$50 million.

1975: Capital was increased to NT$67.5 million. The Corporation moved its business to Hsieh Chih Building on Zhongshan North Road.

1976: Capital was increased to NT$90 million.

1977: The tenth anniversary of incorporation, the Corporation moved into the office it bought in the Hua Hsin Building on Zhongxiao East Road. Capital was increased to NT$100 million.

1978: Capital was increased to NT$125 million.

1979: Capital was increased to NT$150 million.

1980: Capital was increased to NT$160 million.

1981: Capital was increased to NT$180 million.

1982: Capital was increased to NT$200 million.

1987: Reduced capital by NT$2 million and withdrew from public offering.

1970: Capital was increased to NT$600 million.

1991: On July 1, chairman, Hu Wei-Liang retired and became honorary director and permanent member of the board of directors. General manager, Tzou Tzu-Kuen was elected as the ninth chairman of the board, and vice general manager, Chuang Ting-Chuang was appointed as general manager. In August, the Securities and Exchange Commission approved the capital increase to NT$800 million.

1992: Applied for listing on May 30, and was approved by the Securities and Exchange Commission on December 24. On September 1, the capital increase to NT$1.024 billion was approved.

1993: Officially become a class I listed company on May 25, 1993. The registered capital is NT$1,259,520,000.

1994: On January 10 of this year, the Corporation was awarded the National Top Five Excellent Construction Industry Certificate by the Ministry of the Interior, and on April 7, it was awarded the Top Five Excellent Constructor Certificate by the Department of Rapid Transit Systems, Taipei City Government. In July of this year, the Corporation was approved by the Securities and Futures Commission, Ministry of Finance to capitalize its undistributed earnings and capital surplus to a total capital of NT$1,498,828,800.

1995: In June of this year, the Corporation was approved by the Securities and Futures Commission, Ministry of Finance to capitalize its undistributed earnings and capital surplus to a total capital of NT$1,654,707,000. Unfortunately, on November 22 of the same year, general manager Chuang Ting-Chuang passed away due to illness.

On November 23, the provisional board of directors resolved to discharge him as executive director and general manager. Chairman Tzou Tzu-Kuen was temporarily appointed as acting general manager. Bought 64% of the shares of Hsin-Hsing Power Development Co., Ltd. and indirectly Owned 63.36% the shares of "Nantong Thermoelectric Co., Ltd." It is estimated that the fund will be put into use after two years.

1996: In June of this year, the Corporation was approved by the Securities and Futures Commission, Ministry of Finance to capitalize its undistributed earnings and capital surplus of NT$82,735,350, and cash capital increase of NT$730,000,000; a total capital increase of NT$812,735,350. After the capital increase, the total capital came to NT$2,467,442,350. The indirect investment in "Nantong Thermoelectric Co., Ltd." was approved by the Investment Commission, MOEA. The capital of Singapore Hsin-Hsing Power Development Co., Ltd. was US$7 million, and the Corporation brought 64%, a total of NT$4,480,000 were paid for the shares. The general manager of this Corporation, Mr. Tzou, was elected by the board of the Hsin-Hsing Power Development Co., Ltd. as the chairman for both Hsin-Hsing Power Development Co., Ltd. and Nantong Thermoelectric Co., Ltd.

1997: In July of this year, the Corporation was approved by the Securities and Futures Commission, Ministry of Finance to capitalize its capital surplus of NT$123,372,110, which brought the total capital to NT$1,590,812,460.

1998: In October of this year, the Corporation was approved by the Securities and Futures Commission, Ministry of Finance to increase its capital by cash of NT$909,185,540, which brought the total capital to NT$3.5 billion.

1999: In March of this year, the board approved proposal to capitalize capital surplus of NT$105 million, which brought the total capital to NT$3.605 billion. In June of this year, the Corporation was approved by the Securities and Futures Commission, Ministry of Finance to capitalize its capital surplus of NT$105 million, which brought the total capital to NT$3.605 billion.

2000: In January of this year, the head quarter is moved to the self-built New Asia Songshan Building; in February of the same year, the former general manager Yen-Ching Chang retired, and the vice general manager Chu Tai-Sheng was appointed general manager. In June, the board of directors decided to appoint a vice chairman and the managing director, Tzou Hong-Kee, was appointed.

2001: In February, the Taipei City Government awarded the Corporation with the Certificate of Excellent Constructor Vendor in 2000. In March, the Ministry of Economic Affairs approved capital reduction due to the implementation of treasury stock by NT$57,550,000. The capital was registered as NT$3,577,450,000.

2004: On June 23, the shareholders' meeting resolution approved of a capital reduction of NT$1,455,650,900 and a retirement of 145,565,090 shares. After the capital reduction, the paid-in capital was NT$2,091,799,100, divided into 209,179,910 shares.

2010: Chairman Tzou Tzu-Kuen was discharged and became honorary chairman on June 15. Vice chairman, Mr. Tzou, was appointed as the chairman of the 16th term board. In October, the board of directors approved of the purchase of 36% of shares of Singapore Hsin-Hsing Power Development Co., Ltd. through its subsidiary. After the shares are transferred to the Corporation, it held 100% of the shares and indirectly held 99% of the equity of Nantong Hsin-Hsing Thermoelectric Co., Ltd.

2011: In September, the Corporation was approved by the Financial Supervisory

Commission approved to capitalize its earnings and issue 11,714,075 new shares, with an amount of NT$117,140,750. After the capital increase, the paid-in capital became NT$2,208,939,850, divided into 220,893,985 shares.

On March 31, Singapore Hsin-Hsing Power Development Co., Ltd. changed its name to Singapore New Asia Technology Development Co., Ltd.

2012: In September, the Corporation was awarded Public Construction Quality Award for "Constriction of New Electricity Service and Maintenance Center with underground and Electricity Distribution and Substation Facilities Joint Office Building (Civil Engineering Turnkey Project)."

In July, the Corporation was approved by the Financial Supervisory Commission approved to capitalize its earnings and issue 11,044,699 new shares, with an amount of NT$110,446,990. After the capital increase, the paid-in capital became NT$2,319,386,840, divided into 231,938,684 shares.

From August 7 to September 12, a total of 5,000,000 shares were repurchased.

2013: In October, the Corporation was awarded 13th Public Construction Golden Quality Award and the Merit Award by the Executive Yuan for "Constriction of New Electricity Service and Maintenance Center with underground and Electricity Distribution and Substation Facilities Joint Office Building (Civil Engineering Turnkey Project)" and "Construction of the Western Coast Expressway 190k+028~193k+270 (WH50 standard) Hanbao to Xinsheng section."

In August, the Corporation was approved by the Financial Supervisory Commission approved to capitalize its earnings and issue 4,538,773 new shares, with an amount of NT$45,387,730. After the capital increase, the paid-in capital became NT$2,364,774,570, divided into 236,477,457 shares.

This year, a total of 5,199,000 shares were repurchased, and the aggregated number of treasury shares was 10,199,000 shares.

2014: The Corporation was awarded 14th Public Construction Golden Quality Award by the Executive Yuan for "CL115 Standard Taiwan Railways Underground Construction Project (dig then bury) on Section 3, Zhonghua Road" and "Yuanlin Construction of Elevated Station and Electrical and Mechanical Work."

2015: The Corporation was awarded 15th Public Construction Golden Quality Award by the Executive Yuan for "Construction of Provincial Highway 9 Suhua Highway from Dongao to Dongyue Section."

The fourth repurchase repurchased a total of 5,000,000 shares. If such shares are not transferred to employees within three years, they will be retired. The base date for the retirement of treasury shares was September 12, 2015, and registration with the Ministry of Economic Affairs was completed on September 24, 2015. The aggregated number of treasury shares was 5,199,000 shares.

2016: The Corporation was awarded Public Construction Excellence Award by the Taipei City Government for the "Construction of National Housing and 2017 Universiade Athletes' Village Turnkey Project Third Bid in Linkou" and the 16th Public Construction Golden Quality Award by the Executive Yuan for "Construction of the Western Coast Expressway 195k+995~199k+348.5(WH50-2) Wanggong to Yongxing section."

The fifth and sixth repurchases repurchased 1,699,000 shares and 3,500,000 shares, respectively. If such shares are not transferred to employees within three years, they will be retired. The base date for the retirement of treasury shares was July 21, 2016, and registration with the Ministry of Economic Affairs was completed on August 5, 2016.

The aggregated number of treasury shares was 0 shares.
The subsidiary of the Corporation had transferred all equity of Nantong Hsin-Hsing Thermoelectric Co., Ltd., to the counterparty on August 19, 2016.

2017: On December 27, 2017, the Investment Commission, Ministry of Economic Affairs approved of the indirect investment in Nantong Xin Yue Health Management Co., Ltd.

2018: The Corporation was awarded first place of the Golden Road by the MOTC for "Construction of the Western Coast Expressway 195k+530~199k+087(WH52) Wanggong to Yongxing section"; the 7th Construction Safety Award Excellence - Public Construction Award and 2017 Department Construction Site Safety and Health Competition Excellence Award - Construction Group by the New Taipei City Government and Department of Rapid Transit Systems, Taipei City Government respectively for "Civil Engineering Construction of Wanda-Zhonghe-Shulin Line (first phase) LG06 Station"; Merit of the 12th Public Construction Golden Safety Award - Construction Class A Group by the Executive Yuan for "Construction of the Western Coast Expressway 204K+530~209K+087(WH52) from Xinjie Village to Dacheng Road" and 18th Public Construction Golden Quality Award by the Executive Yuan for "Construction of the Western Coast Expressway 199K+720~204K+530 (WH51) Yongxing section to Xinjie Road."

2019: The Corporation was awarded the 8th Construction Safety Award Merit - Public Construction Award and 2018 Department Construction Site Safety and Health Competition Merit Award - Construction Group by the New Taipei City Government and Department of Rapid Transit Systems, Taipei City Government respectively for "Civil Engineering Construction of Wanda-Zhonghe-Shulin Line (first phase) LG06 Station"; the 8th Construction Safety Award Merit - Public Construction Award by the New Taipei City Government for "Turnkey Project of Ankeng light rail transit - civil engineering"; Merit of the 13th Public Construction Golden Safety Award by the Executive Yuan for "Construction of the National Highway 4 (C715) Taichung Tanzi Circular Interchange" and 19th Public Construction Golden Quality Award by the Executive Yuan for Construction of the Western Coast Expressway 209K+087~209K+087(WH52) from Xinjie Village to Dacheng Road.

2020: The Corporation was awarded the 2019 Department Construction Site Safety and Health Competition Merit Award - Construction Group by the Department of Rapid Transit Systems, Taipei City Government respectively for "Civil Engineering Construction of Wanda-Zhonghe-Shulin Line (first phase) LG06 Station" the 8th Construction Safety Award Merit - Public Construction Award by the New Taipei City Government for "Turnkey Project of Ankeng light rail transit - civil engineering" and the 20th Public Construction Golden Quality Award for "Construction of the National Highway 4 (C715) Taichung Tanzi Circular Interchange."

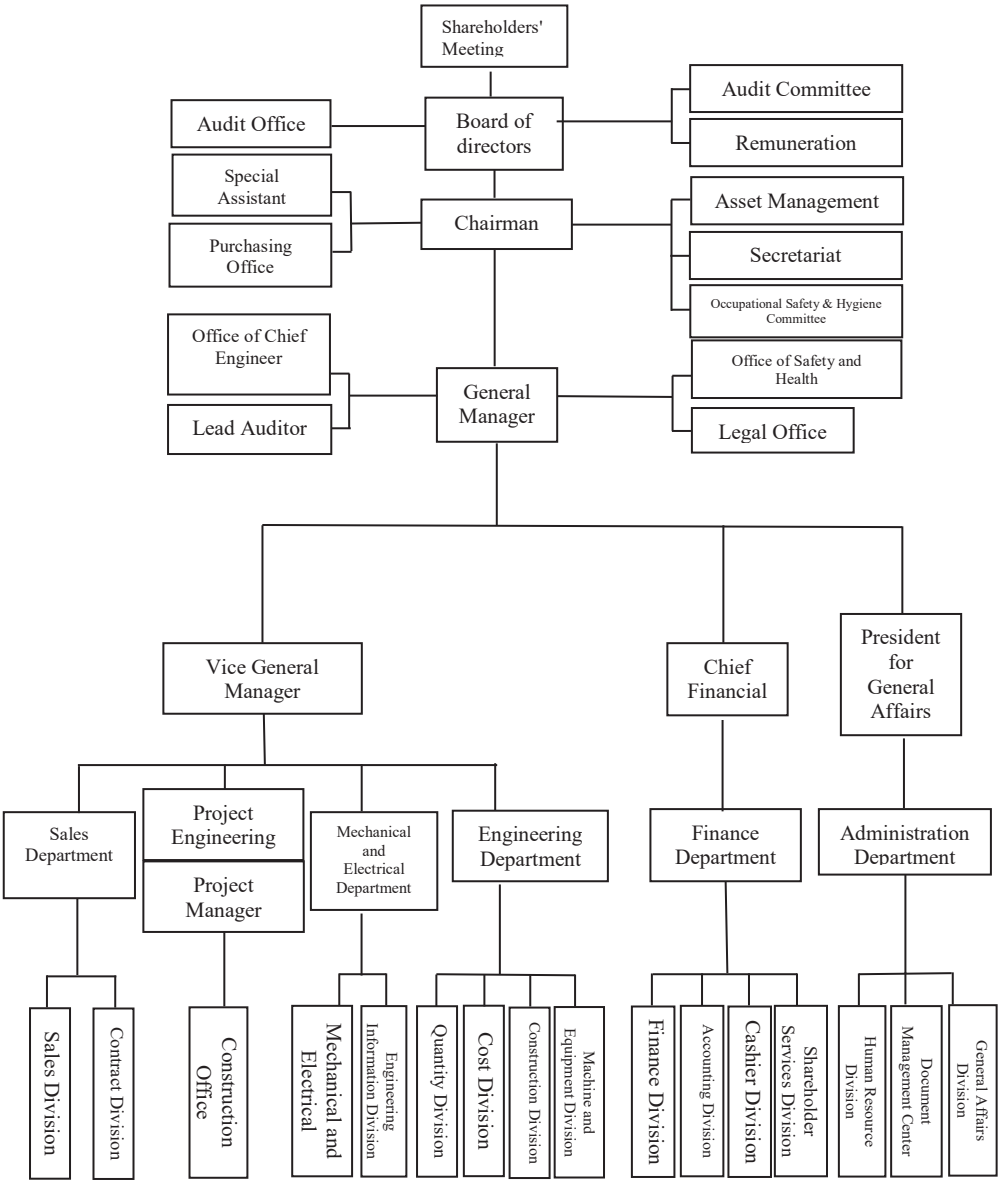
2021: The Corporation was awarded the 10th Construction Safety Award Merit Public Construction Award and 2020 Department Construction Site Safety and Health Competition Merit Award - Construction Group by the New Taipei City Government and Department of Rapid Transit Systems, Taipei City Government for Civil Engineering Construction of Wanda-Zhonghe-Shulin Line (first phase) LG06 Station; the 15th Public Construction Golden Safety Award for Civil Construction Turnkey Project of Kaohsiung Metropolitan Area Mass Rapid Transit System

Ganshan/Luzhu Extension (Phase I).

Chapter 3 Corporate Governance Report

I. Organization

(I) Organization chart



(II) Major department functions

Organization	Role
Chairman	1. The Chairman is the legal representative of the Corporation and is in charge of major affairs and decisions on behalf of the board of directors. 2. The appointment, discharge and authorization of the general manager. 3. Appointment, discharge, transfer, promotion, rewards, punishments, salary, etc. of managers (inclusive) and heads of departments and offices. 4. Awarded ISO 9001 Quality Management System Quality Policy and Annual Quality Objectives. 5. Assignment of management representatives.
General Manager	1. With the approval of the Board of Directors, the Board of Directors has authorized the Chairman to manage and review the business of the Corporation. 2. Annual quality objectives issued by the Executive Chairman. 3. Mediation and undertaking of business affairs within the scope of business. 4. Review annual quality objectives. 5. Host the management review meetings. 6. Review of internal and external issues and stakeholder concerns. 7. Supervise the ISO 9001 quality management system and be responsible for the success or failure of the quality system.
Vice General Manager Chief Financial Officer/ President for General Affairs/	President for General Affairs: Assist the General Manager in all aspects of the business. Chief Financial Officer: Assist the General Manager in managing projects. 1. Management and financial strategies for short, medium and long term operations, as well as handling the implementation of various operational plans. 2. Analysis and report on the Corporation's financial operations and operational management. 3. Maintain good relationships with customers, government and private sector. 4. Strategic management and supervision of subsidiaries. Vice General Manager: Assist the General Manager in managing projects. 1. Formulate the Corporation's business strategy and direction. 2. Project bidding, contracting, construction and warranty management, and project contract management, as well as monitoring the effectiveness of the ISO 9001 quality management system for project implementation. 3. Assemble the core organization of the project engineering

	operation team.
Office of Chief Engineer	1. Chief Engineer 1.1 Assist the general manager to manage and supervise the execution and evaluation of construction technology. 1.2 Supervise the project to achieve the annual quality target. 2. The Vice Chief Engineer assists the Chief Engineer to perform his duties.
Lead Auditor	1. The Chairman assigned as the representative of ISO9001 Quality Management System Quality System Management, and maintain the effectiveness of implementing ISO9001 Quality Management System Quality System. 2. Supervise project contract dispute management by the legal office. 3. Supervise the Safety and Health Office on the occupational safety and environmental protection issues during the construction of the project. 4. Responsible for the tasks assigned by the general manager and vice general managers.
Audit Office	1. Assist the management to supervise the implementation of various internal control systems. 2. Manage all internal audit related tasks of the Corporation and self-assessment of the implementation and effectiveness of the internal control system. 3. Submit the audit report for approval by directors and independent directors. 4. Perform project audit tasks assigned by the Chairman and General Manager (with the approval of the Chairman). 5. Prepare annual audit plan. 6. Implement audit plans and project plans. 7. Prepare audit reports and audit working papers. 8. Report to the competent authority 8.1. Internal auditor list. 8.2. Annual audit plan. 8.3. Implementation of the annual audit plan. 8.4. Abnormalities of the internal control system and the improvement of abnormal events. 8.5. Self-inspection of Statement of Internal Control

Office of Safety and Health	1. Responsible for collecting and providing safety and health/environmental related information. 2. Formulate safety and health/environmental management related rules in accordance with laws and regulations. 3. Check the results of implementing safety and health/environmental management related rules of various units. 4. Assist various units to deal with regulations by relevant competent authorities 5. Perform safety and health/environmental related tasks assigned by the chairman/general manager.
Chairman Office	1. Purchasing Office 1.1. Responsible for the management of procurement and subcontracting of the project. 2. Asset Management Office 2.1. Responsible for corporate asset management.
Legal Office	1. Draft official legal documents (including legal confirm letters). 2. Handle civil cases or enforcement cases. 3. Review of civil, criminal and mediation cases and settlement contracts. 4. File a petition or administrative action for improper administrative sanctions. 5. Communicate, discuss the facts of the case and attend court sessions with the lawyers for construction mediation, arbitration or litigation cases. 6. Review of the Corporation's documents. 7. Provide up-to-date legal knowledge and keep up-to date with the latest administrative announcements.
Engineering Department	1. Construction Division 1.1. Responsible for managing project progress and quantity and quality management for the owner. 1.2. Responsible for quantity and quality management for the subcontractor. 1.3. Responsible for the management of construction periods. 1.4. Responsible for the allocation of foreign workers. 1.5. Responsible for the management of construction measurements / materials. 1.6. Responsible for the repairs under the warranty. 2. Cost Division 2.1. Responsible for the management of the budget / cost and settlement.

	2.2. Responsible for the management of the administrative documents of the construction. 3. Quantity Division 3.1. Responsible for the management of the quality of the project. 4. Machine and Equipment Division 4.1. Responsible for the management and operation of the Corporation's machinery and vehicles. 4.2. Handle matters related to the supervision and licenses of the Corporation's machinery and vehicles. 4.3. Provide consulting services on matters related to heavy machinery.
Sales Department	1. Sales Division 1.1. Responsible for gathering information on project being bade. 1.2. Responsible for project bidding management. 2. Contract Division 2.1. Responsible for the formulation and management of contracts. 2.2. Handling of administrative documents of the construction.
Mechanical and Electrical Department	1. Mechanical and Electrical Division 1.1. Assist with the inspection and maintenance of the high and low voltage electrical equipment of each construction unit. 1.2. Provide consulting services on matters related to electrical equipment and materials. 1.3. Handle matters related to the construction design and installation of high and low voltage electrical equipment. 1.4. Handle matters related to the buildings' utilities, air conditioning, fire prevention, etc. 2. Engineering Information Division 2.1. Responsible for the planning of BIM for bid preparation operations. 2.2. Responsible for the establishment of the cloud platform after the launch of the project. 2.3. Responsible for assisting in the development of BIM workflow for the project. 2.4. Integrate BIM related education training and assist in BIM engineer recruitment. 2.5. Responsible for the implementation of BIM application in each project.

Finance Department	1. Accounting Division 1.1. Drafting of accounting system and financial plans. 1.2. Preparation of accounting evidence, books and financial statements. 1.3. Responsible for implementing capital increase and issuance of marketable securities such as corporate bonds. 1.4. Various taxes, tax accounting and other related tasks. 2. Finance Division 2.1. Provide financial cost estimates during bidding. 2.2. Prepare, review and control of construction and cash budget. 2.3. Financing, adjustments and repayment. 2.4. Warranty for construction and collecting accounts receivable. 2.5. Issuance and control of derivatives. 3. Cashier Division 3.1. Cashier and safekeeping of cash, bills and securities. 3.2. Income and expenditure related matters. 4. Shareholder Services Division 4.1. Reporting of shares related items. 4.2. Amend various rules in accordance with the regulations of the competent authorities. 4.3. Prepare materials such as meeting manuals, annual reports, public brochures, etc. for the shareholders' meeting and board of directors' meeting. 4.4. Plan, implement, take out insurance policies for various construction projects of the Corporation and enforce insurance policies, etc. 4.5. Host educational training for directors and managers and report to the competent authority. 5. Information Group 5.1. Control of the Corporation's information assets. 5.2. Control of system accounts.
Management Department	1. General Affairs Division 1.1. Responsible for receiving and sending documents and file management. 1.2. Implement employee benefits in accordance with various welfare policies and other related matters. 1.3. Manage various internal and external communication and other public relations related matters. 1.4. Responsible for the management of the Corporation's administrative vehicles.

	1.5. Manage matters related to the arrival and departure of foreign workers' and related application. 1.6. Responsible for the management of various fixed asset, etc. 2. Human Resource Division 2.1. Manage all matters related to the selection, training, appointment and retention of human resources. 2.1.1. Understand and predict the quality, capability, quantity and supply and demand of the workforce, both current and in the future, internally and externally. 2.1.2. In line with the results of workforce analysis, plan and implement allocation, recruitment, selection, etc. of personnel. 2.1.3. Manage the appointment, insurance, evaluation, rewards and punishments, promotion, retirement, termination of employment resignation, etc. of employees. 2.1.4. Based on performance appraisal, manage and evaluate the performance of personnel and their productivity, communicate with the employees and continuously seek to improve and control work performance of employees. 2.1.5. Set salary policies in line with the strategic goals, and establish a fair and reasonable salary structure. 2.2. Manage matters related to the education and training for employees. 2.2.1. Enhance management and technical capabilities of personnel, in line with the operational objectives. 2.2.2. Formulate the skill and career development plan for personnel to prepare them for future tasks in line with the future development strategy. 3. Document Management Center 3.1. Management of ISO documents and quality records.
Construction Office	1. Head of the construction office 1.1. Responsible for the quality planning / implementation of the projects. 1.2. Responsible for the management of the

	construction. 1.3. Responsible for the management and implementation of construction progress. 1.4. Responsible for the management and implementation of construction budget. 1.5. Responsible for the management of procurement and subcontracting. 1.6. Responsible for management of employees (foreign labor) / subcontractor. 1.7. Responsible for the management of the safety and health aspects of the construction. 1.8. Responsible for the safekeeping of the assets and equipment of the construction office. 1.9. Responsible for the implementation of ISO. 2. The responsibility of the construction office is specified in the quality proposals of each project.

II. Information about directors, general manager, vice general manager, associate manager, and head of departments and branches

(I) Information about directors

April 26, 2022

Title	Nationality/ place of registration	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (education)	Other Position	Managers, directors or supervisors who are spouses or within the second degree of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chairman	ROC	Tzou Hong-Kee	Male 71~80	2019.06.18	3 years	1991.07.01	10,534,739	4.66	10,845,271	4.79	129,760	0.06	0	0	Graduated from New York University Tandon School of Engineering	Chairman, He-Fa Land Development Co., Ltd.	Director	Hsu Chen-Shiang	Relative-in-Law
																	Director	Wu Hui-Chun	Relative-in-Law
Director	ROC	Chang Che-San	Female 61~70	2019.06.18	3 years	1995.05.24	702,846	0.31	702,846	0.31	0	0	0	0	Graduated from Ming Chuan Women's Business School (currently Ming Chuan University), business administration	Chairman, Fon-Euan Paint Co., Ltd.	N/A	N/A	N/A
Director	ROC	Hsu Chen-Shiang	Male 71~80	2019.06.18	3 years	1992.06.03	2,081,419	0.92	2,081,419	0.92	8,886,046	3.93	0	0	Graduated from New York University Tandon School of Engineering	N/A	Chairman	Tzou Hong-Kee	Relative-in-Law
Director	ROC	Tung Ding-Yu	Male 61~70	2019.06.18	3 years	2013.06.25	0	0	0	0	0	0	0	0	Ph.D in engineer from Leland Stanford Junior University	Chairman, Elite Material Co., Ltd.	N/A	N/A	N/A
Director	ROC	Wu Hui-Chun	Female 61~70	2019.06.18	3 years	2007.06.15	1,788,271	0.79	1,788,271	0.79	0	0	0	0	Graduated from National Chia-Yi Senior Commercial Vocational School	N/A	Chairman	Tzou Hong-Kee	Relative-in-Law

Title	Nationality/ place of registration	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (education)	Other Position	Managers, directors or supervisors who are spouses or within the second degree of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Independent Director	ROC	Lee Shah-Rong	Male 51~60	2019.06.18	3 years	2007.06.15	0	0	0	0	0	0	0	0	Ph.D in mechanical engineer from State University of New York at Stony Brook	Vice general manager of R&D Department, Taiwan Chelic Co., Ltd.	N/A	N/A	N/A
Independent Director	ROC	Chen Tzu-Hsiun	Male 61~70	2019.06.18	3 years	2007.06.15	64,400	0.03	88,400	0.04	1,333	0	0	0	National Taiwan University of Science and Technology Ph.D in electronic engineering	Assistant professor at Department of Computer Science & Information Engineering, Taipei City University of Science and Technology	N/A	N/A	N/A

(1) Major shareholders of the institutional shareholders as of April 26, 2022

Name of institutional shareholder	Major Shareholders of the Corporate Shareholders
N/A	N/A

(2) Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

April 26, 2022

Criteria / Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Tzou Hong-Kee	Graduated from the Institute of Electrical Engineering of New York University, and served as a professor and president of the Northern Taiwan Institute of Science and Technology (now Taipei City University of Science and Technology), and has served as the Chairman of the Corporation since 2010. Has the necessary expertise and experience in business management and business development, and not been a person of any conditions defined in Article 30 of the Corporation Act..	1. Not a director, supervisor, or employee of other company who has a majority of the Corporation's director seats or voting shares and those of any other company are controlled by the same person. 2. Not a director (or governor), supervisor, or employee of other company or institutions who is the chairperson, general manager, or person holding an equivalent position of the Corporation and a person in any of those positions at another company or institution are the same person or are spouses. 3. A director (director), supervisor (supervisor), manager, or shareholder holding 5% or more of the shares of a specific company or organization that does not have financial or business dealings with the Corporation. 4. Does not provide the	0

		Corporation or associated companies with auditing or in the past 2 years, obtained compensation cumulated over NT$500,000 in business, legal, financial, accounting services, by professionals, sole proprietorships, partnerships, companies, or institutional owners, partners, directors, supervisors, managers, and spouses.	
Hsu Chen-Shiang	Graduated from the Institute of Mechanical Research of New York University and has served as a director of the Corporation since 1992, has more than 30 years of experience necessary for the business of the Corporation and not been a person of any conditions defined in Article 30 of the Corporation Act.	1. Not a director, supervisor, or employee of other company who has a majority of the Corporation's director seats or voting shares and those of any other company are controlled by the same person. 2. Not a director (or governor), supervisor, or employee of other company or institutions who is the chairperson, general manager, or person holding an equivalent position of the Corporation and a person in any of those positions at another company or institution are the same person or are spouses. 3. A director (director), supervisor (supervisor), manager, or shareholder holding 5% or more of the shares of a specific company or organization that does not have financial or business dealings with the Company. 4. Does not provide the Corporation or associated companies with auditing or in the past 2 years, obtained compensation cumulated	0

		over NT$500,000 in business, legal, financial, accounting services, by professionals, sole proprietorships, partnerships, companies, or institutional owners, partners, directors, supervisors, managers, and spouses.	
Chang Che-San	Graduated from Ming Chuan Women's Business College (now Ming Chuan University) with a degree in business management, served as a director and supervisor of the Chinese National Federation of Industries and as a vice convener of its Corporate Social Responsibility Committee, and is a certified business administrator with more than 25 years of experience in the Corporation's business and has not been a person of any conditions defined in Article 30 of the Corporation Act.	1. She, her spouse, his/her second degree of kinship, etc., is not a director or employee of the Corporation or its affiliated companies. 2. She, her spouse, her second degree of kinship, etc. do not hold any shares of the Corporation. 3. Not a director, supervisor or employee of the Corporation with a specific relationship with the Corporation. 4. No remuneration received for business, legal, financial or accounting services provided by the Corporation or its affiliates in the last two years.	0
Tung Ding-Yu	Obtained a Ph.D. in Engineering from Stanford University and currently serves as the Chairman of Elite Material Co. ,Ltd., has extensive experience in management practices and more than 10 years of experience in the Corporation's business and not been a person of any conditions defined in Article 30 of the Corporation Act.	1. He, his spouse, his/her second degree of kinship, etc., is not a director or employee of the Corporation or its affiliated companies. 2. He, his spouse, his second degree of kinship, etc. do not hold any shares of the Corporation. Not a director, 3. supervisor or employee of the Corporation with a specific relationship with the Corporation. 4. No remuneration received for business, legal, financial or accounting services provided by the Corporation or its affiliates in the last two years.	1

Wu Hui-Chun	Has served as a director of the Corporation since 2007 has more than 15 years of experience necessary for the business of the Corporation and not been a person of any conditions defined in Article 30 of the Corporation Act.	1. Not a director, supervisor or employee of the Corporation with a specific relationship with the Corporation. 2. No remuneration received for business, legal, financial or accounting services provided by the Corporation or its affiliates in the last two years.	0
Lee Shah-Rong	Obtained a Ph.D. in Mechanical Engineering from the State University of New York at Stony Brook, served as a professor at Taipei City University of Science and Technology and the Vice President of the R&D and Design Division of Taiwan Chelic Co., Ltd., has more than 15 years of experience in the Corporation's business and not been a person of any conditions defined in Article 30 of the Corporation Act.	The following conditions have been fulfilled during the two years preceding the election and during the term of office: (1) Not an employee of the Corporation or any of its affiliates. (2) Not a director, supervisor of the Corporation or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Corporation or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs. (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Corporation or who holds shares ranking in the top five holdings or any of the authorized representatives of a company referred to in	0
Chen Tzu-Hsiun	Obtained a Ph.D. degree in electrical engineering from National Taiwan University of Science and Technology and is currently an associate professor in the Department of Information Engineering at National Taipei City University of Science and Technology, has more than 15 years of experience in the Corporation's business and not been a person of any conditions defined in Article 30 of the Corporation Act.		0

		Paragraphs 1 and 2 of Article 27 of the Corporation Act. (6) Not a director, supervisor, or employee of other company who has a majority of the Corporation's director seats or voting shares and those of any other company are controlled by the same person. (7) Not a director (or governor), supervisor, or employee of other company or institutions who is the chairperson, general manager, or person holding an equivalent position of the Corporation and a person in any of those positions at another company or institution are the same person or are spouses. (8) A director (director), supervisor (supervisor), manager, or shareholder holding 5% or more of the shares of a specific company or organization that does not have financial or business dealings with the Corporation. (9) Does not provide the Corporation or associated companies with auditing or in the past 2 years, obtained compensation cumulated over NT$500,000 in business, legal, financial, accounting services, by professionals, sole proprietorships, partnerships, companies, or institutional owners, partners, directors, supervisors, managers, and spouses: Neither of the two independent directors provided audit services and	

		both received NT$0 in remuneration for the above-mentioned services in the last two years. (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Corporation. (11) Not under any of the categories stated in Article 30 of the Corporation Act. (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Corporation Act.	

(3) Diversity and independence of the Board of Directors:

Based on the policy of diversification and strengthening of corporate governance in order to promote the sound development of the Company's board composition and structure, the nomination of candidates for directors of the Company shall be adopted the candidate nomination system in accordance with the provisions of the Company's Articles of Incorporation. Each candidate's academic qualifications, work experience, professional background, integrity or relevant professional qualifications, and others are evaluated and considered. After the Board of Directors passed the resolution, the proposed nominees will be submitted to the Shareholders Meeting for election.

The current Board of Directors of the Company consists of 5 General Directors and 2 Independent Directors. Among them, no directors with employee status ,The 2 female directors.

None of the circumstances prescribed in paragraph 3 and paragraph 4, Article 26-3 of the Securities Exchange Act exist among the directors and independent directors.

The composition of the Board of Directors should be has based on its own operations, operational patterns and developmental needs, formulated appropriate diversification policies including but not limited to the following:

1. Basic conditions and value: gender, age and nationality.
2. Professional knowledge and skills: operational judgment capability, accounting and financial analysis capability,business management capability, risk management capability, industry knowledge, international market outlook,leadership capability, and decision-making capability.

The implementation status of the board diversity policy is as follows:

Core of diversify / Name	Nationality	Gender/Age	Operational judgment capability	Accounting and financial analysis ability	Business management capability	Risk management capability	Industry knowledge	International market outlook	Leadership ability	Decision-making ability
Tzou Hong-Kee	ROC	Male 71~80	✓		✓	✓	✓	✓	✓	✓
Hsu Chen-Shiang	ROC	Male 71~80	✓		✓	✓	✓	✓	✓	✓
Chang Che-San	ROC	Female 61~70	✓	✓	✓	✓	✓	✓	✓	✓
Tung Ding-Yu	ROC	Male 61~70	✓		✓	✓	✓	✓	✓	✓
Wu Hui-Chun	ROC	Female 61~70	✓		✓	✓	✓	✓	✓	
Lee Shah-Rong	ROC	Male 51~60	✓		✓	✓	✓	✓	✓	✓
Chen Tzu-Hsiun	ROC	Male 61~70	✓		✓	✓	✓	✓	✓	✓

(II) Information about director, general manager, vice general manager, assistant manager, and head of departments

April 26, 2022

Title	National ity	Name	Gender	Date appointed	Shareholdings		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (education)	Other Position	Managers who are Spouses or Within the second degree of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
General Manager	ROC	Lai Tiao-Tsan	Male	2022.01.01	0	0	0	0	0	0	Ph.D in economics from Southwestern University of Finance and Economics	Independent Director, Topbi International Holdings Limited	None	None	None	
Vice General Manager	ROC	Lin, Ming-Ho	Male	2022.01.01	896	0	0	0	0	0	Department of Agricultural Engineering, National Taiwan University	None	None	None	None	
Vice General Manager/ CFO	ROC	Chen Po-Chung	Male	2004.01.01	0	0	0	0	0	0	Master in Business Administration, Fu Jen Catholic University	Independent Director, Shih Wei Navigation Co., Ltd.	None	None	None	
Vice General Manager/ President for General Affairs	ROC	Tzou Jen-Bin	Male	2021.03.01	4,335,729	1.92	415,441	0.18	0	0	Master of Mechatronics, Taipei City University of Science & Technology	None	None	None	None	

III. Remuneration paid during the most recent fiscal year to directors, general manager, and vice general manager

(I) Remuneration to directors (including independent directors)

Unit: NTD 1,000

Title	Name	Remuneration								Ratio Of Total Remuneration (A+B+C+D) To Net Income(%) (Note 10)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of total compensation (A + B + C + D + E + F + G) to net income (%) (Note 10)		Compensation paid to directors from an invested company other than the Corporation's subsidiaries or parent company (Note 11)
		Base Compensation (A) (Note 2)		Pension (B)		Directors (C) (Note 3)		Business Expense Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Pension (F)		Profit Sharing- Employee Bonus (G) (Note 6)						
																The Corporation		All companies included into the financial statement (Note 7)				
		The Corporation	All companies included into the financial statement (Note 7)	The Corporation	All companies included into the financial statement (Note 7)	The Corporation	All companies included into the financial statement (Note 7)	The Corporation	All companies included into the financial statement (Note 7)	The Corporation	All companies included into the financial statement (Note 7)	The Corporation	All companies included into the financial statement (Note 7)	The Corporation	All companies included into the financial statement (Note 7)	Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock	The Corporation	All companies included into the financial statement (Note 7)	
Chairman	Tzou Hong-Kee	2,510	3,587	0	0	0	0	300	300	2,810 2.67	3,887 3.69	0	0	0	0	0	0	0	0	2,810 2.67	3,887 3.69	N/A
Director	Chang Che-San	0	0	0	0	0	0	220	220	220 0.21	220 0.21	0	0	0	0	0	0	0	0	220 0.21	220 0.21	N/A
Director	Hsu Chen-Chiang	0	0	0	0	0	0	220	220	220 0.21	220 0.21	0	0	0	0	0	0	0	0	220 0.21	220 0.21	N/A
Director	Wu Su-Chung	0	0	0	0	0	0	211	211	211 0.20	211 0.20	0	0	0	0	0	0	0	0	211 0.20	211 0.20	N/A
Director	Tung Ding-Yu	0	0	0	0	0	0	220	220	220 0.21	220 0.21	0	0	0	0	0	0	0	0	220 0.21	220 0.21	N/A
Director	Wu Hui-Chun	0	0	0	0	0	0	220	220	220 0.21	220 0.21	0	0	0	0	0	0	0	0	220 0.21	220 0.21	N/A
Independent Director	Lee Shah-Rong	0	0	0	0	0	0	168	168	168 0.16	168 0.16	0	0	0	0	0	0	0	0	168 0.16	168 0.16	N/A
Independent Director	Chen Tzu-Hsiun	0	0	0	0	0	0	160	160	160 0.15	160 0.15	0	0	0	0	0	0	0	0	160 0.15	160 0.15	N/A
Independent Director	Lai Tiao-Tsan	0	0	0	0	0	0	116	116	116 0.11	116 0.11	0	0	0	0	0	0	0	0	116 0.11	116 0.11	N/A

1. Please state the policy, system, standards and structure of independent directors' remuneration payment, and describe the relevance between the amount of remuneration and the factors including responsibilities, risks, the time spent by the individual, etc.: The remuneration for professional practices of independent directors are paid in accordance with the Articles of Incorporation of the Corporation and the "Policies and Systems for Remuneration of the Directors."
2. Except as otherwise disclosed herein, the directors of the Corporation have not received other remunerations for providing services (Such as non-employee consultants in parent company /all companies included in financial statement/reinvested companies and others) to any of the companies in the consolidated financial statements within the current fiscal year.

(II) Remuneration to the general manager and vice general manager

Unit: NTD 1,000

Title	Name	Salary (A)		Pension (B)		Bonuses and allowances (C)		Employee compensation (D)				The sum of A, B, C and D as a percentage 0f after-tax net profit		Compensation paid to directors from an invested company other than the Corporation's subsidiaries or parent company
								The Corporation		All companies included into the financial statement				
		The Corporation	All companies included into the financial statement	The Corporation	All companies included into the financial statement	The Corporation	All companies included into the financial statement	Cash	Stock	Cash	Stock	The Corporation	All companies included into the financial statement	
General Manager	Chu Tai-Sheng	3,960	3,960	108	108	1,190	1,190	0	0	0	0	5,258 4.99	5,258 4.99	N/A
Vice General Manager	Chen Hsiao-Chen	2,160	2,160	108	108	210	210	0	0	0	0	2,478 2.35	2,478 2.35	N/A
Vice General Manager	Fang Wei-Huang	990	990	54	54	0	0	0	0	0	0	1,044 0.99	1,044 0.99	N/A
Vice General Manager	Yang Tai-Yung	1,020	1,020	63	63	360	1,006	0	0	0	0	1,443 1.37	2,089 1.98	N/A

Note: Chu Tai-Sheng and Chen Hsiao-Chen was retired on December 31, 2021.
Fang Wei-Huang was retired on June 30, 2021.
Yang Tai-Yung was retired from Vice General Manager to Head of Corporate Governance on December 31, 2021 .

* Any positions correspondent to general manager or vice general manager (e.g., President, CEO or Director, etc.) shall be disclosed, irrelevant with job titles.

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Remuneration for the top 5 executives

Title	Name	Salary (A)		Pension (B)		Cash incentives and special discretionary allowance etc. (C)		Profit Sharing-Employee Bonus (D)				Ratio of Total Compensation (A+B+C+D) to Net Income (%)		Compensation from any Invested Company Other Than the Corporation's Subsidiary or the Parent Company
		The Corporation	All companies included into the financial statement	The Corporation	All companies included into the financial statement	The Corporation	All companies included into the financial statement	The Corporation		All companies included into the financial statement		The Corporation	All companies included into the financial statement	
								Cash	Stock	Cash	Stock			
General Manager	Chu Tai-Sheng	3,960	3,960	108	108	1,190	1,190	0	0	0	0	5,258 4.99	5,258 4.99	N/A
Vice General Manager	Chen Hsiao-Chen	2,160	2,160	108	108	210	210	0	0	0	0	2,478 2.35	2,478 2.35	N/A
Vice General Manager	Fang Wei-Huang	990	990	54	54	0	0	0	0	0	0	1,044 0.99	1,044 0.99	N/A
Vice General Manager	Yang Tai-Yung	1,020	1,020	63	63	360	1,006	0	0	0	0	1,443 1.37	2,089 1.98	N/A
Senior Associate Manager	Chen Po-Chung	1,596	1,596	99	99	275	275	0	0	0	0	1,970 1.87	1,970 1.87	N/A

(3) Name and distribution status of officers receiving employee bonus distribution:

2021; Unit: NT$ thousand

	Title	Name	Employee Bonus in Stock	Employee Bonus in Cash	Total	Ratio of total amount to net income (%)
Manager	General Manager	Chu Tai-Sheng	0	0	0	0
	Vice General Manager	Chen Hsiao-Chen				
	Vice General Manager	Fang Wei-Huang				
	Vice General Manager	Yang Tai-Yung				
	Associate Manager	Tzou Ming-Chi				
	Senior Associate Manager	Chen Po-Chung				
	Associate Manager	Tzou Jen-Bin				

(4) Provision of such tangible objects as cars etc. for director, general manager and vice general manager in 2020:

Unit: NTD 1,000

Car	Price bought	Actual unreduced balance	Driver	Note
Company car for the chairman	0	0	673	Monthly Rental 247
Company car for the general manager	0	0	683	Monthly Rental 47
Company car for the vice general manager	0	0	0	Monthly Rental 82/3 cars

Provision of other tangible objects: None.

(5) Separate comparisons and descriptions of total remuneration, as a percentage of net income stated in the individual financial reports, as paid by the Corporation and all other companies included in the consolidated financial statements during the past two fiscal years to directors, supervisors, the general manager, and vice general manager, with analysis and description of remuneration policies, standards, and packages, procedure for determining remuneration, and link to performance:

1. Ratio of Total Remuneration to Net Income for the Year (%)

Title	Proportion to Earnings After Tax (%)			
	2020		2021	
	The Corporation	All companies included into the financial statement	The Corporation	All companies included into the financial statement
Director	-0.50%	-0.56%	4.12%	5.14%
General Manager and Vice General Manager	-3.94%	-4.03%	9.70%	10.31%

2. Remuneration policies

The remuneration payment policies, standards, and packages for the directors, general manager, and vice general managers of the Corporation are stipulated in the Corporation's Articles of Incorporation, resolved by the board of directors, submitted to the annual shareholders' meeting, and implemented in accordance with the Rules Governing Remuneration Management.

IV. Implementation of corporate governance

(I) Board of directors

A total of 6 (A) board meetings were held in 2021. The attendance of the directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】 (Note 1)	Note
Chairman	Tzou Hong-Kee	6	0	100	
Director	Wu Su-Chung	2	3	40	Deceased on December 17, 2021.
Director	Hsu Chen-Shiang	5	1	83	
Director	Chang Che-San	5	1	83	
Director	Tung Ding-Yu	2	4	33	
Director	Wu Hui-Chun	6	0	100	
Independent Director	Lee Shah-Rong	6	0	100	
Independent Director	Chen Tzu-Hsiun	6	0	100	
Independent Director	Lai Tiao-Tsan	5	0	100	Resign on December 20, 2021.

Note: Director elected at the shareholders' meeting convened on June 18, 2019 Other mentionable items:

I. With regard to the implementation of the board of directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions and the Corporation's handling of such opinions shall be specified:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act: Not applicable. The Corporation has set up an audit committee for matters stipulated in Article 14-5 of the Securities and Exchange Act.

(2) Any recorded or written board resolutions to which independent directors have objections or reservations to be noted in addition to the above: None.

II. Regarding recusals of directors from voting due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified: None.

III. The evaluation cycles, evaluation periods, scope and method of evaluation, and contents of evaluation for evaluating the performance of the board members on themselves (or peers). The implementation of evaluation for the board of directors is filled in the following table:

IV. Measures undertaken during the current year and past year in order to strengthen the functions of the board of directors (such as the establishment of an audit committee and improvement of information transparency, etc.) and assessment of their implementation:

(1) To implement corporate governance and enhance the functions of the board of directors as well as to establish performance targets so as to enhance the operational efficiency of the board of directors, the Corporation has established the "Regulations Governing the Evaluation of the Performance of the Board of Directors" in 2019 and implemented internal evaluation.

(2) In accordance with the regulations of the competent authorities, the Corporation prepares English financial reports and information related to shareholders' meetings, and publishes significant information in English to enhance information transparency.

Implementation of the board's evaluation in 2021

Frequency	Period	Scope	Method	Content
Once a year	2021.01.01 ~ 2021.12.31	1. Board of directors 2. Board members 3. Functional committees	Internal self-evaluation of the board of directors, committees and the board members	Note:

Note: Content of the evaluation

(1) Evaluation of performance for the board of directors: Including participation in the operation of the Corporation, enhancement of the quality of the board of directors' resolution, composition and structure of the board of directors, election and continuing education of the directors, and internal control; a total of 42 indicators for the five major aspects.

(2) Evaluation of performance for the individual board members: Including alignment of the goals and missions of the Corporation, awareness of the duties of a director, participation in the operation of the Corporation, management of internal relationship and communication, the director's professionalism and continuing education, and internal control; a total of 22 indicators for the six major aspects.

(3) Evaluation of performance for the audit committee: Including participation in the operation of the Corporation, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, makeup of the functional committee and election of its members, and internal control; a total of 21 indicators for the five major aspects.

(4) Evaluation of performance for the remuneration committee: Including participation in the operation of the Corporation, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, composition of the functional committee and election of its members; a total of 19 indicators for the four major aspects.

(II) Audit Committee:

A total of 5 (A) meetings of the audit committee were held in 2021. The attendance of independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Actual attendance rate (%) 【B/A】 (Note 1)	Note
Independent Director	Lee Shah-Rong	5	0	100	
Independent Director	Chen Tzu-Hsiun	5	0	100	
Independent Director	Lai Tiao-Tsan	4	0	100	Resign on December 20, 2021

Other mentionable items:

I. If any of the following events occurred, the dates of the meetings, sessions, summary of proposals, opinions of all the independent directors and the Corporation's responses should be specified:

1. Items listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee	Proposal content	Independent directors' objection, reservation or significant recommendation	Resolution	Dealing with the opinion from the audit committee
7th meeting of the 1st term committee 2021.03.12	1. Adoption of the 2020 business report and financial statements. 2. Approval of 2020 deficit off-setting proposal. 3. Approval of the 2020 "Statement of Internal Control System." 4. Approved of independence assessment of the CPAs for this Corporation.	None	Passed by the agreement of all committee members.	The Board of Directors agreed to the resolution of the Audit Committee
8th meeting of the 1st term committee 2021.05.07	1. Approval of the Corporation's 2021 first quarter consolidated financial statements.	None	Passed by the agreement of all committee members.	The Board of Directors agreed to the resolution of the Audit Committee
9th meeting of the 1st term committee 2021.08.06	1. Approval of the Corporation's 2021 second quarter consolidated financial statements.	None	Passed by the agreement of all committee members.	The Board of Directors agreed to the resolution of the Audit Committee
10th meeting of the 1st term committee 2021.11.10	1. Approval of the Corporation's 2021 third quarter consolidated financial statements. 2. Approval of the audit office's 2022 audit plan.	None	Passed by the agreement of all committee members.	The Board of Directors agreed to the resolution of the Audit Committee
11th meeting of the 1st term committee 2021.12.30	1. Approval of the appointment of the Corporation's Chief Financial Officer.	None	Passed by the agreement of all committee members.	The Board of Directors agreed to the resolution of the Audit Committee
12th meeting of the 1st term committee 2022.03.15	1. Adoption of the 2021 business report and financial statements. 2. Approval of 2021 earnings distribution. 3. Approval of the 2021 "Statement of Internal Control System." 4. Approval of the amendment to the Procedures for Acquisition or Disposal of Assets by the Corporation. 5. Approved of independence assessment of the CPAs for this Corporation.	None	Passed by the agreement of all committee members.	The Board of Directors agreed to the resolution of the Audit Committee

2.Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all Directors: None

II. Regarding recusals of independent directors from voting due to conflicts of interests, the names of the independent directors, contents of motions, reasons for recusal, and results of voting shall be specified: None.

III. Communication between independent directors, internal chief audit officer and CPAs (which should include the important matters, methods, and results regarding the Corporation's finance and operations):

1. All independent directors are members of the Audit Committee. In addition to regularly reviewing the audit reports of the internal auditors and communicating with them, the Audit Committee often invites the internal auditors to attend the Audit Committee meetings as needed
2. Communication between independent directors, Head of Internal Audit and CPAs: In principle, at least once each year for Head of Internal Audit; at least once each year for the CPAs.
3. Communication results of this year is as follows:

Date	Means of communication	Counterparty	Communication highlights	Communication situation and results
2021.01.15	Discussion meeting (individual communication meeting)	CPA	1. CPA's annual audit plan 2. Update of important FSC ordinance.	1. The CPAs propose the annual audit plan. 2. The Corporation's remuneration policy and other relevant new regulations shall be disclosed in the annual financial report. 3. No comments on this meeting.
2021.03.12	Audit Committee	Head of Internal Audit	1. Issue the 2020 Statement of Internal Control System of the Corporation.	1. Agreed to issue the 2020 Statement of Internal Control System of the Corporation. 2. Submit for resolution to the board of directors' meeting after review
2021.11.10	Audit Committee	Head of Internal Audit	1. Preparation of the Corporation's 2022 internal audit plan.	Submit for resolution to the board of directors' meeting after review.
2021.12.30	Discussion meeting (individual communication meeting)	CPA	1. CPA's annual audit plan 2. Update of important laws and regulations.	1. The CPAs propose the annual audit plan. 2. The Corporation reports self-stated financial information and other related new requirements. 3. No comments on this meeting.

IV. Important tasks and operations of the audit committee:

(1) The main function of the audit committee is to supervise the following matters:

A. The fair presentation of the Corporation's financial statements.

B. The election (dismissal), independence and performance of the CPA.

C. The effective implementation of the internal control system of the Corporation.

D. Regulatory compliance of the Corporation.

E. Management of the existing or potential risks of the Corporation.

(2) A total of 5 meetings of the audit committee were held in 2020. The average attendance rate of the committee members is 100%. The following are important tasks completed for the current fiscal year:

A. Assessment of the effectiveness of the internal control system.

B. Annual and quarter financial reports.

C. Appointment of the Chief Financial Officer.

D. Other significant matters set forth by the Corporation or the competent authority.

(III) Corporate Governance Implementation Status and Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof

Evaluation Item	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
I. Does the Corporation establish and disclose the Corporate Governance Best-Practice Principles according to "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?		✓	The Corporation has yet to establish the Corporate Governance Best-Practice Principles, however, the spirit and principles of corporate governance are realized through the Articles of Incorporation and daily operation.	To be formulated in a timely manner as required by law in the future
II. Shareholding structure & shareholders' interests				No material difference.
(I) Does the Corporation establish an internal operating procedure to handle shareholders' suggestions, inquiries, disputes and litigations and implement these procedures?	✓		(I) The Corporation designates a spokesperson and a deputy spokesperson to handle matters relevant to shareholders' service. Legal issues were transferred to the Legal Office of the Corporation where a lawyer is appointed as a professional advisor.	
(II) Does the Corporation possess the list of its major shareholders as well as the ultimate beneficial owners of those shares?	✓		(II) The Corporation provides a shareholder list via a shareholder service agency, and monitors the declaration system of shareholding changes of insiders.	
(III) Does the Corporation establish and execute the risk management and firewall mechanism between affiliated companies?	✓		(III) The internal control system of the Corporation has formulated the "Related Party Transaction Management Operation Rules" which regulates the financial and business transactions with the affiliated enterprises. The risk management mechanism between the Corporation and its affiliated companies and appropriate firewalls are implemented in accordance with the laws and regulations.	
(IV) Does the Corporation establish internal rules against insiders trading on undisclosed information?	✓		(IV) "Procedures for Handling Material Inside Information" are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by this Corporation, in order to prevent improper information disclosures and to ensure the consistency and accuracy of	

Evaluation Item	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
			information released by this Corporation to the public.	
III. Composition and responsibilities of the board of directors				
(I) Does the Board of Directors have a diversity policy, specific management objectives and implementation?		✓	(I) Although the Corporation does not have a diversified approach, we have been recruiting talents from different business backgrounds to strengthen the operational capability of the Board of Directors.	No material difference.
(II) Does the Corporation voluntarily establish other functional committees in addition to the remuneration committee and the audit committee?		✓	(II) The Corporation voluntarily established the remuneration committee and the audit committee. The Corporation will establish other functional committees in the future accordance with the law and regulations and actual business needs.	The Corporation will establish other functional committees in the future accordance with the law and regulations and actual business needs.
(III) Has the Corporation established standards to measure the performance of the board, and does the Corporation implement such annually? Does it report the results of the performance evaluation to the board and use them as a reference for each director's remuneration and nomination of term renewal?	✓		(III) The Corporation has established "Regulations Governing the Evaluation of the Performance of the Board of Directors" and implements regular performance evaluations each year. The results of the performance evaluation are reported to the board. In addition to reviews and improvement, they are also used as a reference for each director's remuneration and nomination of term renewal.	No material difference.
(IV) Does the Corporation regularly evaluate the independence of CPAs?	✓		(IV) The Corporation performs an annual assessment of the independence and competence of the CPAs and requires the accounting firm to issue a statement of independence and submit its findings to the board for approval. The results of the evaluation of the services of CPAs for the year 2021 have been approved at the 15th meeting of the 19th term board of directors. CPAs, Chen Chung-Che and Chang Shu-Ying, from KPMG Taiwan both meet the	No material difference.

Evaluation Item	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
			Corporation's standard for independence and competence (Note 1) and are qualified to serve as CPAs for the Corporation.	
IV. Does the Corporation have allocated a sufficient number of qualified corporate governance staff and appointed a person in charge of the affairs related to corporate governance (including but not limited to providing information required for director/supervisor's operations, assisting directors and supervisors in complying with laws and regulations, make registration applications and alteration applications relevant to the Corporation, handling the matters concerning the board and annual general meeting in accordance with the law and making their records)?	✓		The Corporation's Board of Directors has appointed the Head of Corporate Governance to be responsible for corporate governance-related matters, and the scope of his/her duties and responsibilities, current year's business execution, and continuing education are listed in the table below (Note 2).	No material difference.
V. Has the Corporation established communication channels for its stakeholders (including but not limited to shareholders, employees, customers and suppliers) or created a stakeholders section on its corporate website? Does the Corporation promptly respond to the concerns of stakeholders regarding important corporate social responsibility issues?	✓		The Corporation has set up a stakeholders' section on the Corporation's website, identifies stakeholders who may come into contact or be affected by the business activities undertaken by various units, collects information and concerns from stakeholders through different communication channels such as business dealing process, interviews, phone calls, emails and websites, collects information and concerns on issues through stakeholders' feedback, through internal communication and integrated assessment by management on the importance of the topics and the impact on the Corporation to determine priorities and response measure. Utilizing appropriate channels to further understand the reasonable expectations and needs of stakeholders, and appropriately respond to important issues of their concern.	No material difference.
VI. Does the Corporation appoint a professional shareholder service agency to handle shareholder affairs?	✓		The Corporation has appointed the Stock Transfer Agency Department of KGI Securities to process related stock affairs.	No material difference.
VII. Information Disclosure (I) Does the Corporation have a	✓		(I) The Corporation has a corporate	No material

Evaluation Item	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
corporate website to disclose information of financial standing, business and the status of corporate governance?			website to disclose information of financial standing, business and the status of corporate governance.	difference.
(II) Does the Corporation have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and making the process of investor conferences available on the corporate website)?	✓		(II) The Corporation appoints designated people to handle information collection and disclosure. The Corporation has established the spokesman system and designates a spokesperson and a deputy spokesperson.	No material difference.
(III) Does the Corporation publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?		✓	(III) Financial reports and monthly operational status of the Corporation are all published and reported before their specified deadlines in accordance with law and regulations.	No material difference.
VIII. Is there any other important information which facilitates a better understanding of the Corporate's corporate governance practices (e.g. including but not limited to employee rights, employee wellbeing, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation standards, the implementation of customer policies, and purchasing of liability insurance for directors and supervisors)?	✓		Information related to the implementation of corporate governance: (I) Employee rights and welfare: The Corporation has drawn up personnel management rules using Labor Standards Act, Act of Gender Equality in Employment, Sexual Harassment Prevention Act, and relevant laws and regulations as the minimum requirements to ensure employees' rights and interests. (II) Investor relations: In addition to regular disclosure of the Corporation's significant business information, the Corporation also continues to improve its transparency, allowing investors to be well informed of the Corporation's business updates and development plans. (III) Relationship with suppliers: The Corporation has always maintained long-term and good cooperation relationship with its suppliers. The	No material difference.

Evaluation Item	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
			Corporation has set up a stakeholders' section on the Corporation's website and provide a dedicated mailbox for complaints. (IV) Stakeholders' rights: The Corporation has established a good and smooth communication channel to protect the Corporation's stakeholders' rights and interests. The Corporation deals with issues by upholding good faith principles and a responsible attitude, and fulfills its corporate social responsibility. (V) Continuing education for directors and supervisors: The training courses for the directors and independent directors of the Corporation are in compliance with the requirements of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" in term of content and duration, the implementation of continuing education is disclosed on the MOPS, please refer to the following table (Note 3). (VI) Implementations of risk management policy and risk evaluation standards: The Corporation formulates internal rules in accordance with the law and regulations and undertakes various risk management and evaluations to manage risk. (VII) Implementation of client policy: The Corporation maintains a smooth channel of communication and positive relations with its customers to create profit for the Corporation. (VIII) Liability insurance for the directors: Liability insurance has been purchased for directors by the Corporation.	
IX. Please specify the Corporation's measures to improve the items listed in the corporate governance review result by Taiwan Stock Exchange's Corporate Governance Center and the improvement plans for items yet to be				

Evaluation Item	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
improved. (unnecessary for the excluded companies) Improvement: The Corporation prepares English financial reports and information related to shareholders' meetings, and publishes significant information in English to enhance information transparency in accordance with the regulations of the competent authorities. Proposed enhancements but improvements have not yet been made: The English version of the annual report is scheduled to be uploaded by the 16th day prior to the Annual Shareholders' Meeting.				

Note 1: Independent CPA evaluation items

No.	evaluation indicator	Yes	No
1	As of the most recent assurance operation, no CPA has provided service for the Corporation for more than seven years.	✓	
2	The CPA does not have significant financial relationship with his/her client.	✓	
3	The CPA avoids any inappropriate relationship with his/her client.	✓	
4	The CPA ensures that his/her assistants are honest, fair and independent.	✓	
5	The CPA has not performed audit and assurance services on financial statements of companies he/she has served within two years before practicing.	✓	
6	The CPA has not permitted others to practice under his/her name.	✓	
7	The CPA has not owned any shares of the Corporation and its affiliated companies.	✓	
8	The CPA does not loan any money from the Corporation and its affiliated companies.	✓	
9	The CPAs and the Corporation do not have any joint investments or profit-sharing relationship.	✓	
10	Not simultaneously taking a regular position in the Corporation or its affiliated companies and receiving a fixed salary therefrom.	✓	
11	The CPA is not involved in the management function of the decision-making of the Corporation and its affiliated companies.	✓	
12	The CPA has not concurrently engaged in other businesses that may lead to loss of independence.	✓	
13	The CPAs do not have spouses, lineal relatives by blood or by marriage, or collateral relatives by blood within the second degree of relationship with the management level of the Corporation.	✓	
14	The CPA has not received any commission related to his/her service.	✓	
15	The CPA has not engaged in any matter that may result in disciplinary actions taken against him/her or damage to the principle of independence so far.	✓	

Note 2: Establishment and operation of the Head of Corporate Governance:

(1) Establishment status: To strengthen corporate governance and enhance the effectiveness of the Board of Directors, the Corporation has established the Head of Corporate Governance by reference to Article 3-1 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", as resolved at the 11th meeting of 19th Board of Directors on May 7, 2021.

(2) Scope of duties: Including but not limited to the following:
   A. Handling matters relating to board meetings and shareholders meetings according to laws.
   B. Producing minutes of board meetings and shareholders meetings.
   C. Assisting in onboarding and continuous development of directors and supervisors.
   D. Furnishing information required for business execution by directors and supervisors.
   E. Assisting directors and supervisors with legal compliance.
   F. Other matters set out in the articles or corporation or contracts.

(3) Operational performance for the year: Handling or supervising the implementation of the above business in accordance with the law and related regulations.
   A. In accordance with the law, the Corporation shall register the date of the shareholders' meeting in advance and make all announcements, and prepare the notice of the meeting, the meeting manual and other related matters within the legal period.
   B. Assist the Board of Directors and committees in compliance with the procedures and resolutions of the Board of Directors to ensure that the meetings are in compliance with the relevant laws and regulations and corporate governance norms.
      a. Prepare the agenda of each meeting of the Board of Directors, notify the directors and provide them with the necessary information for the meeting 7 days in advance, and complete the preparation and distribution of the minutes of the meeting within 20 days after the meeting.
      b. Remind each director to comply with the regulations and recuse himself/herself from the matters that require interest in the execution of business or the resolutions made at each meeting.
      c. Publish significant information about important resolutions of the Board of Directors and ensure the legality and correctness of the announcements to protect the rights and interests of investors.
   C. Prepare an annual plan for further education and assist in arranging courses based on the characteristics of the Corporate business areas and industries and the academic and experience background of each director.
   D. Arrange communication and interaction between the head of Internal

Audit, Accounting Manager, CPA and relevant division heads with the directors to assist them in carrying out their duties.

(4) Continuing education of the Head of Corporate Governance in 2021:

Name	Training Date	Organizer	Course Title/Subject	Hours From	Aggregated number of hours of continued education in the current year
Yang Tai-Yung	2021.11.23	Taiwan Corporate Governance Association	Share how issuers can truly implement ESG from the perspective of foreign shareholders and their voting behavior	3	18
	2021.11.30		Annual Report Key Information and Liability Analysis: Director and Supervisor's Perspective	3	
	2021.12.10		Prevention of insider trading and the latest practical developments	3	
	2021.12.14		Money Laundering Prevention and Counter Terrorism from Illegal Cases	3	
	2021.12.07	Taiwan Stock Exchange	2021 Cathay Sustainable Finance and Climate Change Summit	6	

Note 3: Continuing education of directors in 2020

Name	Training Date	Organizer	Course Title/Subject	Hours From	Aggregated number of hours of continued education in the current year
Tzou Hong-Kee	2021.05.07	Taiwan Corporate Governance Association	Risk and Financial Management Issues in Corporate Governance 3.0	3	6
	2021.10.27	Securities and Futures Institute	2021 Legal Compliance Briefing for Insider Stock Transactions	3	
Wu Su-Chung	2021.05.07	Taiwan Corporate Governance Association	Risk and Financial Management Issues in Corporate Governance 3.0	3	6
	2021.10.27	Securities and Futures Institute	2021 Legal Compliance Briefing for Insider Stock Transactions	3	
Hsu Chen-Shiang	2021.03.15	Taiwan Listed Companies' Association	Looking ahead 50 years of Taiwan: Talent Development and Disaster Prevention	2	7

Name	Training Date	Organizer	Course Title/Subject	Hours From	Aggregated number of hours of continued education in the current year
	2021.05.07	Taiwan Corporate Governance Association	Risk and Financial Management Issues in Corporate Governance 3.0	3	
	2021.09.15	Taiwan Listed Companies' Association	Taiwan Industry M&A and Transformation Innovation	2	
Chang Che-San	2021.05.07	Taiwan Corporate Governance Association	Risk and Financial Management Issues in Corporate Governance 3.0	3	6
	2021.12.03	Taiwan Corporate Governance Association	Information Security Incident Handling Practices under the New Post-Epidemic Normal	3	
Tung Ding-Yu	2021.04.14	Independent Director Association Taiwan	How Board of Directors looks at M&A strategy and corporate transformation	3	18
	2021.04.28	Taiwan Corporate Governance Association	Corporate Sustainability Accelerators - CSR, ESG and SDGS	3	
	2021.05.07	Independent Director Association Taiwan	In-depth analysis of the actual meaning of financial reports from the Chairman	3	
	2021.09.08	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Digital Transformation of Enterprises	3	
	2021.09.30	Independent Director Association Taiwan	Board Practice Examples - Simulation Exercise	3	
	2021.11.10	Taiwan Academy of Banking and Finance	A framework for understanding the geopolitical effects of the U.S., China and Taiwan in the context of the U.S.-China global confrontation	3	
Wu Hui-Chun	2021.05.07	Taiwan Corporate Governance Association	Risk and Financial Management Issues in Corporate Governance 3.0	3	6
	2021.10.28	Securities and Futures Institute	2021 Legal Compliance Briefing for Insider Stock Transactions	3	
Lee Shah-Rong	2021.05.07	Taiwan Corporate Governance Association	Risk and Financial Management Issues in Corporate Governance 3.0	3	6
	2021.10.27	Securities and Futures Institute	2021 Legal Compliance Briefing for Insider Stock Transactions	3	
Chen Tzu-Hsiun	2021.05.07	Taiwan Corporate Governance Association	Risk and Financial Management Issues in Corporate Governance 3.0	3	9
	2021.09.01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	6	
Lai Tiao-Tsan	2021.05.07	Taiwan Corporate Governance Association	Risk and Financial Management Issues in Corporate Governance 3.0	3	9
	2021.09.01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	3	
	2021.11.05	Securities and Futures Institute	2021 Insider Trading Prevention Seminar	3	

(IV) Establishment, functions, and operations of the remuneration committee, if any: (1) Information on the members of the remuneration committee

Criteria / Title / Name		Professional Qualifications and Experience	Independence Status	Number of Remuneration Committee member Posts Held Concurrently for Other Publicly Listed Companies
Convener Independent Director	Lee Shah-Rong	Please refer to pages 30-32 for details of the directors' information.		0
Independent Director	Chen Tzu-Hsiun			0

Others	Chiang Mao-Lin	Obtained a Master's degree in Business Administration from City University of Seattle and has served as a member of the Corporation's Compensation Committee for several years, with at least 15 years of experience in the Corporation's business and has not been a person of any conditions defined in Article 30 of the Corporation Act.	The following conditions have been fulfilled during the two years preceding the election and during the term of office: (1) Not an employee of the Corporation or any of its affiliates. (2) Not a director, supervisor of the Corporation or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Corporation or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs. (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Corporation or who holds shares ranking in the top five holdings or any of the authorized representatives of a company referred to in Paragraphs 1 and 2 of Article 27 of the Corporation Act. (6) Not a director, supervisor, or employee of other company who has a majority of the Corporation's director seats or voting shares and those of any other company are controlled by the same person. (7) Not a director (or governor), supervisor, or employee of other company or institutions who is the chairperson, general manager, or person holding an equivalent position of the Corporation and a person in any of those positions at another company or institution are the same person or are spouses. (8) A director (director), supervisor (supervisor), manager, or shareholder holding 5% or more of the shares of a specific company or organization that does not have financial or business dealings with the Corporation. (9) Does not provide the Corporation or associated companies with auditing or in the past 2 years, obtained compensation cumulated over NT$500,000 in business, legal, financial, accounting services, by professionals, sole proprietorships, partnerships, companies, or institutional owners, partners, directors, supervisors, managers, and spouses: Neither of the two independent directors provided audit services and both received NT$0 in remuneration for the above-mentioned services in the last two	0

			years. (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Corporation. (11) Not under any of the categories stated in Article 30 of the Corporation Act. (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Corporation Act.	

(2) Functions of the remuneration committee:

In accordance with the remuneration committee charter of the Corporation, the remuneration committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the board of directors.

I. 1. Periodically reviewing the said charter and making recommendations for amendments.

II. Establishing and regularly reviewing the board and management's annual and long-term performance goal evaluation in conjunction with the remuneration policies, systems, standards, and structure.

III. Periodically assessing the degree to which performance goals for the directors, supervisors, and managerial officers of this Corporation have been achieved, setting the types and amounts of their individual compensation.

(3) Information about remuneration committee members:

I. There are a total of 3 members in the remuneration committee.

II. The term of the current remuneration committee: June 18, 2019 to June 17, 2022. A total of 3 (A) remuneration committee meetings were held in the most recent year (2021). The information and attendance of the members was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】(Note)	Note
Convener	Lee Shah-Rong	3	0	100	
Committee Member	Chen Tzu-Hsiun	3	0	100	
Committee Member	Chiang Mao-Lin	3	0	100	

Other mentionable items:

I. If the board of directors refuses to adopt or amend a recommendation of the remuneration committee, the date of the meeting, session, content of the motion, resolution by the board of directors, and the Corporation's response to the remuneration committee's opinion (e.g., if the remuneration passed by the board of directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified) shall be specified: None.

II. If there were resolutions of the remuneration committee to which members objected or expressed reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.

III. Motions discussed and resolutions by the remuneration committee and the Corporation's responses to members' opinions:

Date/Term	Discussions and results of resolutions and the Corporation's handling of opinions of the committee members:
2021.01.15 5th meeting of the 4th term committee	1. 2020 year-end bonuses for managers reviewed by the remuneration committee of the Corporation. ■ Resolution results: Passed by the agreement of all committee members. ■ The Corporation's responses to members' opinions: Approved by the unanimous decision of the attending directors.

2021.11.10 6th meeting of the 4th term committee	1. Amendments to the "Organizational Rules of the Remuneration Committee" of the Corporation. ■ Resolution results: Passed by the agreement of all committee members. ■ The Corporation's responses to members' opinions: Approved by the unanimous decision of the attending directors.
2021.12.30 7th meeting of the 4th term committee	1. 2021 year-end bonuses for managers reviewed by the remuneration committee of the Corporation. ■ Resolution results: Passed by the agreement of all committee members. ■ The Corporation's responses to members' opinions: Approved by the unanimous decision of the attending directors.

(V) Implementation of Corporate Social Responsibility and Deviations from the "Corporate Social Responsibility Best-Practice Principles for the TWSE/TPEx Listed Companies" and Reasons Thereof

Evaluation Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
I. Has the Corporation established a dedicated unit or appointed a unit for promoting sustainable development? Is the unit authorized by the board of directors to implement sustainable development activities at upper management levels? Is the unit supervised by the board of directors??		✓	The Corporation has not yet established a dedicated (or part-time) unit for sustainable development.	The Corporation will establish a dedicated (or part-time) unit for sustainable development in the future in accordance with actual needs.
II. Does the Corporation follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?		✓	The Corporation has not yet established sustainable development policies or relevant mechanisms.	The Corporation shall, in a timely manner, formulate CSR policies or relevant mechanisms according to its needs and the law and regulations.
III. Environmental Topics (I) Has the Corporation established proper environmental management systems based on the characteristics of the industries?	✓		(I) The Company's business is in the construction industry. In the development of various construction projects, the three main types of pollution generated are dust, noise and business waste. In order to reduce the negative impact of the above three types of pollution on the ecological environment and to avoid public discontent caused by the development, the Company not only complies with various environmental protection laws and regulations, implements management measures such as air pollution suppression, noise reduction and waste disposal, but also cooperates with the environmental impact assessment commitments of each project and establishes various environmental management systems such as spraying water on exposed	No material difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
			surfaces, greening and noise reduction in construction fences, real-time noise monitoring Internet of Things and carbon footprint investigation, etc., so as to fulfill the Company's social responsibility.	
(II) Is the Corporation committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	✓		(II) To reduce the impact of construction projects on the ecological environment, the Company has adopted the principle of "green procurement" in the procurement or leasing of various types of hardware such as government vehicles, machinery and equipment, and construction materials. In response to the government's policy of "green consumption" in recent years, the Company purchases or leases products with green labels to improve energy efficiency and use recycled materials that have a relatively low impact on the environment. Based on the overall performance in 2021, the Company's green procurement amounted to NT$21,315,042, which mainly included various types of energy-saving electronic products and green building materials using recycled materials.	No material difference.
(III) Does the Corporation evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	✓		(III) The climate change caused by the greenhouse effect has an obvious impact on the construction industry, from the base development to the construction stage, which has a significant impact on the safety, quality and progress of construction. Therefore, in recent years, we have been actively promoting "green procurement" and striving for various "Green Building Label" social housing construction projects. Through our daily business practices and education training, we have deeply planted the awareness of environmental protection in the hearts of every employee. We also hope to reduce the impact of	No material difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
			construction projects on the environment and avoid the repercussions of climate change through concrete participation, and at the same time, we can fulfill our social responsibility in a small way.	
(IV) Does the Corporation inspect its greenhouse gas (GHG) emissions, water consumption and total weight of wastes in the past two years? Does the Corporation formulate policies on energy conservation and carbon reduction, GHG reduction, water reduction or waste management?		✓	(IV) The Corporation's offices and construction sites actively implement energy-saving and carbon-reduction policies, encourage employees to save water and electricity, and appoint professional firms to hold office lighting and CO2 environmental inspections and other measures.	The Corporation currently does not collect data on greenhouse gas emissions and water consumption. The Corporation implement such measures in accordance with laws and regulations in the future.
IV. Social Topics (I) Does the Corporation formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(I) The Corporation abides by the rules, policies, and procedures of the Labor Standards Act and international human rights agreements, protects the legitimate rights and interests of employees, implements non-discriminatory employment policies, etc. and established appropriate management methods, procedures and implementation: 1. The Corporation provides employees a reasonable compensation and bonus system. 2. The Corporation conducts employee training and education. 3. The Corporation implements insurance plans and work leave systems. 4. The Corporation sets aside pension funds in accordance with law. 5. The Corporation established an employee welfare committee.	No material difference.
(II) Does the Corporation formulate and implement reasonable employee benefit measures (including	✓		(II) The Corporation has established and offered proper employee benefits and stipulated the distribution ratio in the	No material difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
remuneration, vacation and other benefits) and appropriately reflect operating performance or results in employee compensation?			Articles of Incorporation, the business performance or results will be appropriately reflected in employee compensations.	
(III) Does the Corporation provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(III) To promote our occupational safety culture and to build a friendly workplace in line with safety and health, we have been promoting the "Taiwan Occupational Safety and Health Management System" since 2015, with the aim of continuously improving and refining our occupational safety management measures through the management mechanism of P (Plan) - D (Do) - C (Check) - A (Act) to control various potential safety and health risks in the workplace, and its overall implementation performance has been certified by TAF (Taiwan Accreditation Foundation) ISO/CNS 45001. In 2020, we have introduced the "Taiwan Occupational Safety and Health Card Education Training", which has been actively promoted by the Occupational Safety and Health Administration of the Ministry of Labor in recent years. As of May 30, 2022, a total of 13 sessions have been held, with a total of 447 participants, allowing our employees, whether foreign or domestic, and even our suppliers' workers, to receive better training certified by the Ministry of Labor, in order to raise employees' awareness of occupational safety and indirectly achieve the vision of establishing a corporate occupational safety culture. On the whole, the overall occupational safety management performance of the Company in 2021 was 0.52, which was slightly higher than the management target value of 0.42 in 2021, but still better than the overall average value of 0.76 for the	No material difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
			construction industry in the "Labor Inspection Statistical Report 2020" (the statistical report for 2021 has not yet been published). For further analysis, the Company had three occupational accidents (excluding traffic accidents) in 2021, the main types of accidents were two accidents involving falling and one accident involving dropping, all of which were related to inadequate safety protection facilities in the workplace. Therefore, in addition to taking immediate and effective improvement measures, we have also made the above cases of occupational accidents the subject of education and propaganda to raise employees' awareness of occupational safety through constant reminders and propaganda in order to further reduce the possibility of occupational accidents.	
(IV) Has the Corporation established effective career development training plans?	✓		(IV) The Company provides new employees with orientation and on-the-job training, and professional development with professional certification training and effective professional training programs for employees from time to time to enhance their career development capabilities.	No material difference.
(V) Does the Corporation comply with relevant laws and regulations and international standards on customer health and safety, customer privacy, marketing and labeling of products and services, etc.? Does the Corporation develop relevant consumer or client protection policies and complaint procedures?	✓		(V) The Corporation is part of the construction industry, and the construction of the contracted projects are conducted in accordance with the owner's specifications. The owner regularly or irregularly holds review meetings, and the Corporation maintains a smooth channel of communication with the owners. After construction completion, the Corporation provides a certain warranty period to ensure the quality of the construction. The Corporation complies with related regulations and international standards in terms of	No material difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
(VI) Does the Corporation formulate supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? How is the implementation?	✓		product marketing and labeling. (VI) The Company has established a management mechanism for suppliers in both the procurement and inbound management stages, mainly related to environmental protection, occupational safety and labor human rights, which are briefly described in the Company's quality and occupational safety management system. In the procurement stage, the Company has set a set of criteria for selecting suppliers in the quality management system, in which the procurement unit shall not consider the procurement if the evaluation results of the intended suppliers (or contractors) do not meet the standards. The assessment includes environmental protection, occupational safety and labor human rights issues, in order to ensure that each supplier has the awareness and responsibility to fulfill its social responsibility. During the contracting stage, the rights and obligations between the supplier and the Company, including environmental maintenance, workplace safety and health, and labor rights, shall be selected as contractual performance items, and the Company shall bind the supplier to perform them in accordance with the contract. At the stage of site management, the Company shall take the responsibility of contract management in accordance with the government's environmental protection, occupational safety and labor-related laws and regulations, and from the perspective of contract management. We also guide our suppliers to follow the relevant regulations in accordance with the requirements of our quality and occupational safety management	No material difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
			system, so as to meet the expectations of society.	
VI. Does the Corporation refer to international reporting rules or guidelines to publish sustainability Report to disclose non-financial information of the Corporation? Has the said Report acquire third party certification party verification or statement of assurance?		✓	Currently, the Corporation does not prepare sustainability reports, however, it is still committed to promote CSR.	No material difference.
VI. If the Corporation has established sustainable development policies in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe any discrepancy between the policies and its practices: The formulation of the Sustainable Development Best Practice Principles is still under discussion.				
VII. Other important information to facilitate better understanding of the Corporation's sustainable development implementation: None.				

(VI) Corporate Observance of Ethical Business Practices and Deviations from the "Ethical Corporate Management Best-Practice Principles for the TWSE/TPEx Listed Companies" and Reasons Thereof:

Evaluation Item	Status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				
(I) Does the Corporation have policies and practices for ethical corporate management passed by the board and clearly state them in regulations and publicly available documents? Do the board and senior management make commitments to actively implement those business policies?	✓		(I) The Corporation established its "Ethical Corporate Management Policies" and "Guidelines for Handling Gifts, Social Engagements, and Lobbying" to regulate the ethical corporate management policies of the Corporation. The directors and management shall exercise due care of a good administrator, while exercising their authority with prudence.	No material difference.
(II) Does the Corporation establish an evaluation mechanism for the risk of unethical conduct that regularly analyzes and evaluates business activities with higher risks of unethical conduct in the business scope? Does the Corporation formulate a plan to prevent unethical conducts, which at least covers the precautionary measures prescribed in Article 7 Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	✓		(II) The Corporation has formulated the "Procedures for Ethical Management and Guidelines for Conduct" according to the business philosophy and policies of its "Ethical Corporate Management Policies," and appointed the administration department as the dedicated unit to handle the revision and implementation supervision of these Procedures and Guidelines for Conduct.	No material difference.
(III) Does the Corporation establish relevant policies which are duly enforced to prevent unethical conduct and provide implementation procedures, guidelines, consequences of violation and complaint procedures in such policies?	✓		(III) The Corporation's administration department is the dedicated unit to promote the promotion and implementation of the Corporation's ethical corporate management, and report to the board of directors on the implementation of the previous year.	No material difference.
II. Implementation of ethical corporate management				
(I) Does the Corporation evaluate business partners' ethical records and include ethics-related clauses in the	✓		(I) When the Corporation signs contracts with other entities, the Corporation includes provisions	No material difference.

Evaluation Item	Status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
business contracts signed with the counterparties?			requiring compliance to its ethical business policy and termination or cancellation of the contract at any time in the event of unethical conduct by the transaction counterparty.	
(II) Has the Corporation established an exclusively (or concurrently) dedicated unit under the board to implement ethical corporate management, and report to the board on a regular basis (at least once per year) on ethnic operation policies as well as precautionary measures against unethical conduct and their implementation information?	✓		(II) The Corporation's administration department is the dedicated unit to promote the promotion and implementation of the Corporation's ethical corporate management, and report to the board of directors on the implementation of the previous year.	No material difference.
(III) Does the Corporation establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement such policy properly?	✓		(III) The Corporation's "Rules of Procedure for Board of Directors' Meetings" outlined the director's conflict of interest mechanism. Directors should excuse him or herself in relation to matters which directly related to themselves or any juristic person which they represent. If the matter is harmful to Corporation's interests, it shall be properly explained and answered at the board meeting. The director is abstained from discussion or vote nor vote on behalf of another director in this regard. The board of directors and the management shall commit to carrying out the policies in internal management and external commercial activities.	No material difference.
(IV) To implement relevant policies on ethical conduct, has the Corporation established effective accounting and internal control systems and assign an internal audit unit to develop relevant auditing plans according to the assessment results of unethical conduct risks? Does the Corporation inspect the implementation of such	✓		(IV) The Corporation has incorporated the plan to prevent unethical conduct into its relevant internal control system. The annual audit plan is prepared based on the results of the risk assessment. The Corporation conducts various internal control system audits and If any unethical conduct is found, an	No material difference.

Evaluation Item	Status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
auditing plans or assign CPAs to implement the auditing? (V) Does the Corporation regularly hold internal and external educational trainings on operational integrity?	✓		audit report will be prepared and submitted to the board of directors. (V) The Corporation shall organize training and awareness programs for directors, managers, employees, and substantial controllers from time to time, and shall invite the commercial transaction counterparties so they understand the Corporation's resolve to implement ethical corporate management, related policies, prevention programs and the consequences of committing unethical conduct.	No material difference.
III. Grievance System (I) Has the Corporation established a grievance and rewards system and a reporting hotline? Can the employees with alleged violations be reached by an appropriate contact person for follow-up?	✓		(I) The Corporation has formulated detailed whistleblowing mechanisms in the "Procedures for Ethical Management and Guidelines for Conduct." Both internal and external whistleblowers can submit complaints via telephone and E-mail. At the same time, a dedicated unit is assigned to handle such complaints.	No material difference.
(II) Has the Corporation established standard operating procedures and confidentiality measures for the investigation of reported incidents?	✓		(II) The Corporation has formulated standard procedures and confidentiality mechanisms in the "Procedures for Ethical Management and Guidelines for Conduct."	No material difference.
(III) Does the Corporation have proper measures in place to protect whistleblowers from reprisals?	✓		(III) The Corporation shall keep confidential the identity of whistle-blowers and the content of reported cases.	No material difference.
IV. Enhancing Information Disclosure Has the Corporation disclosed its ethical corporate management policies and results of implementation on the Corporation's website and the MOPS?	✓		The Corporation has disclosed information on its ethical corporate management policies on the its website and the MOPS.	No material difference.

Evaluation Item	Status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons Thereof
	Yes	No	Summary	
V. If the Corporation has established ethical corporate management policies in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe any discrepancy between the policies and its practices: No material difference.				
VI. Other important information to facilitate better understanding of the Corporation's ethical corporate management (e.g., review of and amendments to ethical corporate management policies) The Corporation's board of directors approved the "Ethical Corporate Management Policies" on March 25, 2015, and the "Procedures for Ethical Management and Guidelines for Conduct" on November 6, 2020. The Corporation adheres to the Company Act, the Securities and Exchange Act, and relevant regulations in relation to the TWSE/TPEx listed companies and other relevant law and regulations, as foundation for ethical corporate management.				

(VII) Please disclose access to the Corporation's Corporate Governance Best Practice Principles and related rules and regulations, if any:

1. The Corporation currently has formulated Ethical Corporate Management Policies, Code of Ethical Conduct and other relevant rules to implement the operation and promotion of corporate governance.
2. Relevant information is disclosed on the Corporation's website and MOPS.

(VIII) Other important information regarding corporate governance:

Procedures for Handling Material Inside Information: The Corporation has established "Procedures for Handling Material Inside Information" as the principles that all the Corporation's directors, supervisors, managers, and employees shall comply with. These rules clearly state the laws, articles, and regulations that the Corporation's directors, supervisors, managers, and staff shall comply with, including laws on insider trading.

(IX) Disclosure of internal control system

1. Statement of Internal Control System

Statement of internal control system of public companies

The design and implementation are both effective

(In terms of legal compliance, this Statement is applicable when all legal compliance has been met)

New Asia Construction & Development Corp.

Statement of Internal Control

Date: March 15, 2022

The Corporation hereby states the results of the self-evaluation of the internal control system for 2021 as follows:

I. The Corporation understands that the board and management of the Corporation are responsible for establishing, implementing and maintaining adequate internal control. The Corporation has established an effective internal control system which aims to reasonably assure the operational results and effectiveness (including profitability, performance and assets security, etc.), the reliability, timeliness and transparency of its report and the compliance with applicable laws and regulations.

II. Due to its inherent limitations, an effective internal control system can only reasonably ensure the achievement of the three objectives above, no matter how complete and perfect the design of the system is. Besides, the effectiveness of the internal control system may vary due to changes in the environment or conditions. However, the Corporation has set up a self-monitoring mechanism on the internal control system, which allows the Corporation to take corrective actions as soon as any error or inadequacy is identified.

III. The Corporation has assessed the design and operating effectiveness of the internal control system in accordance with the criteria effectiveness assessment of internal control system, listed in the Framework for the Establishment of Internal Control System by Public Companies (the "Framework"). The criteria listed in the Framework divides the internal control system into five components based on management control process. The five components are i) Control environment, ii) Risk assessment, iii) Control activities, iv) Information and communication, and v) Monitoring. Each component comprises of several elements. For more information, please refer to the Framework.

IV. We have assessed the design and operating effectiveness of the Corporation's internal control system based on the criteria listed in the Framework.

V. Based on the results of the determination in the preceding paragraph, the Corporation is of the opinion that, as of December 31, 2021, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.

VI. This statement will be included as an integral part of the annual report and the prospectus of the Corporation and be disclosed to the public. Any false or fraudulent representations and concealment of information in this statement shall be subject to the legal liabilities prescribed by Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

VII. This statement was approved by the board of directors on March 15, 2022, and none of the seven directors in attendance objected to it and all consented to the content expressed in this statement.

New Asia Construction & Development Corp.

Chairman: TZOU HONG-KEE

General Manager: Lai Tiao-Tsan

2. A separate audit report shall be disclosed where an independent registered public accounting firm has reviewed the Corporation's internal control system: None.

(X) Penalties imposed upon the Corporation and its employees in accordance with the law, penalties imposed by the Corporation upon its employees for the violation of the internal control system policy, principal deficiencies, and improvement status during the most recent fiscal year up to the date of publication of the annual report: None.

(XI) Major resolutions of shareholders' meeting and board meetings during the most recent fiscal year up to the date of publication of the annual report:

Shareholders' meeting/board of directors	Date	Major resolutions
Board of Directors	2021.01.15	Approved of the compensation adjustment plan of managers reviewed by the remuneration committee of the Corporation.
Board of Directors	2021.03.12	1.Adoption of the 2020 business report and financial statements.
		2.Approval of 2020 deficit off-setting proposal.
		3.Approval of the 2020 "Statement of Internal Control System."
		4.Approved of independence assessment of the CPAs for this Corporation.
		5.Matters related to the convening the 2021 annual shareholders' meeting.
Board of Directors	2021.05.07	1. Adoption of the Corporation's 2021 first quarter consolidated financial statements.
		2. Approved that the Corporation agreed to not to transfer its creditor's claim and rights pursuant to Article 513 of the Civil Code under the Guarantee Case project contracted to the Bank of Taiwan to any third party other than the Bank of Taiwan
		3. Approved the proposal to seek financing from the Nanmen Branch of the Bank of Taiwan, and provide all of the machinery and equipment of the Corporation as collateral in accordance with Article 30 of the Banking Act of The Republic of China, and not to pledge or create mortgage on the listed chattels or make repeated promises more than one creditor on the same piece of property.
		4. Approval of the establishment of the Corporation's Head of Corporate Governance.
Shareholders' Meeting	2021.08.24	1. Adoption of the 2020 business report and financial statements.
		2. Adoption of 2020 deficit off-setting proposal.
Board of Directors	2021.08.06	1. Adoption of the Corporation's 2021second quarter consolidated financial statements.
		2. Approved to change the date and location of the 2021 Annual General Meeting.
Board of Directors	2021.11.10	1. Adoption of the Corporation's 2021 third quarter consolidated financial statements.
		2. Approval of the audit office's 2022 audit plan.
		3. Approved of the amendments to the "Organizational Rules of the Remuneration Committee" of the Corporation..
		4. The Corporation applied for financing of NT$4 billion from Shilin Branch, Land Bank of Taiwan for a term of one year, which is used for the Corporation's capital turnover need. The chairman has been granted full discretion to handle such application. The application is submitted to the board of directors for ratification in accordance with the bank's request.
Board of Directors	2021.12.30	1. Approved of the compensation adjustment plan of managers reviewed by the remuneration committee of the Corporation.
		2.Approval of the appointment of the Corporation's General Manager.
		3.Approval of the appointment of the Corporation's Chief Financial Officer.
		4.Approval of the promotion of the Corporation's Manager.
Board of Directors	2022.03.15	1.Adoption of the 2021 business report and financial statements.
		2.Approval of 2021 deficit off-setting proposal.
		3.Approval of the 2021 "Statement of Internal Control System."
		4.Approval of the amendment of the Corporation's Articles of Incorporation.
		5.Approval of the amendment to the Procedures for Acquisition or Disposal of Assets by the Corporation.
		6.Approved of independence assessment of the CPAs for this Corporation.
		7.Approval of the re-election of the 20th director of the Corporation at the shareholders'

		meeting.
		8.Approval of the nomination of candidates for the 20th director of the Corporation.
		9.Approval of the release of the Company's new directors and their representatives from non-competition restrictions.
		10.Matters related to the convening the 2022 annual shareholders' meeting.

2. Major resolutions from the previous annual shareholders' meeting and implementation:

Resolutions of annual shareholders' meeting	Implementation Status
I. The 2020 business report and financial statements.	The resolution was approved.
II. The 2020 deficit off-setting proposal.	The resolution was approved.

(XII) Recorded or written statements made by any director which specified dissent to important resolutions passed by the board of directors during the most recent year and up to the date of publication of this annual report: None

(XIII) A summary of resignations and dismissals of the Corporation's chairman, general manager, Accounting Manager, financial manager, chief internal auditor, corporate governance officer, and R&D manager during the most recent year and up to the date of publication of the annual report:

Title	Name	Date in office	Date of dismissal	Reasons for resignation or dismissal
General Manager	Chu Tai-Sheng	2000.02.14	2021.12.31	Retirement
Chief Financial Officer	Yang Tai-Yung	2002.01.01	2021.12.31	Retirement

V. Information on CPA professional fees

(1) Information on CPA professional fees

Unit: NTD 1,000

CPA firm	Name of CPA	Audit Period	Audit Fees	Non-audit Fees	Total	Note
KPMG Taiwan	Chen Chung-Che	2021.01.01 ~ 2021.12.31	2,900	1,190	4,090	
	Chang Shu-Ying					

Note: Non-audit Fees services include CPA's transportation fees (NT$10 thousand), information audit (NT$30 thousand), financial translation (NT$350thousand) and tax certification fees (NT$800thousand).

1. Change of CPA firm and the audit fees for the year of the change less that of the previous year, and the amount of audit fees before and after the change, and reasons for the change: None.
2. Audit fees that have decreased by 10% or more from the previous year shall be disclosed: None.

VI. Information about replacement of CPAs: None

(I) Regarding the former CPAs : N/A.

<table>
<tr><td>Date of Replacement</td><td colspan="4"></td></tr>
<tr><td>Reason for Replacement and Explanation</td><td colspan="4"></td></tr>
<tr><td rowspan="3">Statement on whether the authorizing party or the CPA terminated or declined the engagement</td><td colspan="2">Parties to the contract / Situation</td><td>CPA</td><td>The Authorizing Party</td></tr>
<tr><td colspan="2">Voluntarily terminated the engagement</td><td></td><td></td></tr>
<tr><td colspan="2">Declined (further) engagement</td><td></td><td></td></tr>
<tr><td>The opinion and reason for issuing an audit report expressing other than an unqualified opinion during the 2 most recent years</td><td colspan="4"></td></tr>
<tr><td rowspan="6">Different opinions from the issuer</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial statements</td></tr>
<tr><td></td><td colspan="2">Scope or procedure of auditing</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>N/A</td><td colspan="3"></td></tr>
<tr><td colspan="4">Description</td></tr>
<tr><td>NA Other items for disclosure (where Article 10, Subparagraph 6, Item 1-4 to Item 1-7 of the Regulations shall be disclosed)</td><td colspan="4"></td></tr>
</table>

(II) Regarding the succeeding CPAs: N/A.

CPA Firm	
Name of CPA	
Date of Engagement	
Subjects discussed and the consultation results with the newly engaged CPAs regarding the accounting treatment of or application of accounting principles to a specified transaction, or the type of audit opinion that might be rendered on the Corporation's financial report prior to the formal engagement	
Written views from the successor CPAs regarding the matters on which they did not agree with the former CPAs	

(III) The former CPA's reply to Item 1 and Item 2-3, Subparagraph 6, Article 10 of these Regulations: N/A.

VII. Information about Corporation chairman, general manager, or any managerial officer in charge of finance or accounting matters in the most recent fiscal year holding a position at the Corporation's CPA accounting firm or at an affiliated enterprise of such accounting firm: None.

VIII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent

(I) Share changes by directors, managers, and major shareholders

Title	Name	2021		The current year (as of April 26)	
		Shareholding increase (decrease)	Pledged share increase (decrease)	Shareholding increase (decrease)	Pledged share increase (decrease)
Chairman	Tzou Hong-Kee	0	0	310,532	0
Director	Chang Che-San	0	0	0	0
Director	Wu Su-Chung(Note1)	0	0	(1,378,416)	0
Director	Hsu Chen-Shiang	0	0	0	0
Director	Tung Ding-Yu	0	0	0	0
Director	Wu Hui-Chun	0	0	0	0
Independent Director	Chen Tzu-Hsiun	17,000	0	50,000	0
Independent Director	Lee Shah-Rong	0	0	0	0
General Manager	Chu Tai-Sheng(Note2)	0	0	0	0
General Manager	Lai Tiao-Tsan(Note3)	0	0	0	0
Vice General Manager	Chen Hsiao-Chen(Note2)	0	0	0	0
Vice General Manager	Fang Wei-Huang(Note4)	0	0	0	0
Head of Corporate Governance	Yang Tai-Yung(Note5)	0	0	0	0
Vice General Manager	Lin, Ming-Ho(Note6)	0	0	0	0
Vice general manager/CFO	Chen Po-Chung	0	0	0	0
Associate Manager	Tzou Ming-Chi(Note7)	0	0	0	0
Vice general manager/CAO	Tzou Jen-Bin	0	0	689,208	0

Note 1: Deceased on December 17, 2021.

Note 2: Retired on December 31, 2021.

Note 3: Resign as an independent director on December 20, 2021, assumed as General Manager on January 1, 2022.

Note 4: Resign as a Vice General Manager on June 30,2021.

Note 5: Retired from Vice General Manager to Head of Corporate Governance on December 31, 2021,

Note 6: Assumed on January 1, 2022.

Note 7: Retired on March 1, 2021.

(II) Information on share transfers: None.

Name	Reason for on share transfers	Transaction date	Transaction counterparty	Relationship between the counterparty and the company, directors, supervisors, managers and shareholders holding more than 10% of the shares	Shares	Transaction price
Tzou Hong-Kee	Acquisition	2022.03.28	Tzou Tzu-Kuen	First-degree relative	310,532	NT$6.03
Wu Su-Chung	Disposal	2022.04.01	Tzou Jen-Bin	First-degree relative	197,145	NT$6.16
Wu Su-Chung	Disposal	2022.04.01	Tzou Jen-Chieh	First-degree relative	197,144	NT$6.16
Wu Su-Chung	Disposal	2022.04.11	Tzou Jen-Bin	First-degree relative	492,063	NT$6.16
Wu Su-Chung	Disposal	2022.04.11	Tzou Jen-Chieh	First-degree relative	492,064	NT$6.16
Tzou Jen-Bin	Acquisition	2022.04.01	Wu Su-Chung	First-degree relative	197,145	NT$6.16
Tzou Jen-Bin	Acquisition	2022.04.11	Wu Su-Chung	First-degree relative	492,063	NT$6.16

(III) Information on share pledges: None.

IX. Relationship information, if any one, among the Corporation's ten largest shareholders, is a related party or a relative within the second degree of kinship of another

April 26, 2022

Name (Note 1)	Current Shareholding		Spouse/minor shareholding		Shareholding by nominees		Title or name and relationship of top 10 largest shareholders who are related parties or each other's spouses and relatives within the second degree of kinship (Note 3).		Note
	Shares	Share ownership (%)	Shares	Share ownership (%)	Shares	Share ownership (%)	Designation (or Name)	Relationship	
Tzou Hong-Kee	10,845,271	4.79	129,760	0.06	-	-	Tzou Ming-Chi	Brother and sister	
							Tzou Wei-Kee	Brother and sister	
							Tzou Cheng-Kee	Brother and sister	
							Tzou Jen-Bin	father and son	
							Tzou Jen-Chieh	father and son	
Tzou Ming-Chi	8,886,046	3.93	2,081,419	0.92	-	-	Tzou Hong-Kee	Brother and sister	
							Tzou Wei-Kee	Sister	
							Tzou Cheng-Kee	Sister	
Tzou Wei-Kee	7,264,360	3.21	-	-	-	-	Tzou Hong-Kee	Brother and sister	
							Tzou Ming-Chi	Sister	
							Tzou Cheng-Kee	Sister	
Tzou Cheng-Kee	7,106,493	3.14	270,750	0.12	-	-	Tzou Hong-Kee	Brother and sister	
							Tzou Ming-Chi	Sister	
							Tzou Wei-Kee	Sister	
Hsu Wen-Ji	4,482,000	1.98	-	-	-	-	-	-	
Tzou Jen-Chieh	4,336,027	1.92	154,000	0.07	-	-	Tzou Hong-Kee	father and son	
Tzou Jen-Bin	4,335,729	1.92	415,441	0.18	-	-	Tzou Hong-Kee	father and son	
Liu Yue-Chin	4,316,122	1.91	-	-	-	-	-	-	
Tsao Yue-Tai	4,145,681	1.83	47,173	0.02		-	-	-	
Chen Cheng-Tso	3,537,744	1.56	-	-	-	-	-	-	

Note 1: The top ten shareholders' names shall be identified separately (in the case of corporate shareholders, the corporate shareholders' names and representatives' names shall be identified separately).

Note 2: The ratio of shareholding is calculated in terms of own shareholdings, shares held by spouse & children under age or shareholdings under the title of a third party.

Note 3: Relationship between the aforementioned shareholders (including juristic and natural persons) shall be disclosed according to Regulations Governing the Preparation of Financial Reports by Securities Issuers.

X. Total number of shares and total equity stake held in any single enterprise by the Corporation, its directors, managerial officers, and any companies controlled either directly or indirectly by the Corporation:

Total equity stake held

Unit: shares; %

Invested Companies (Note 1)	Ownership by the Corporation		Ownership by directors, supervisors, managers and entities directly or indirectly controlled by the Corporation		Total Ownership	
	Shares	Share ownership (%)	Shares	Share ownership (%)	Shares	Share ownership (%)
New Asia Technology Development Company Pte. Ltd. (Note 2)	10,500,000	100%	0	0	10,500,000	100%
Nantong Xin Yue Health Management Ltd.	-	100%	0	0	-	100%
He-Fa Land Development Co., Ltd.	27,832,000	10%	0	0	27,832,000	10%

Note 1: Investment using the equity method by the Corporation.

Note 2: On March 31, 2011, the original invested company, Singapore Hsin-Hsing Power Development Co., Ltd. changed its name to Singapore New Asia Technology Development Co., Ltd.

Chapter 4 Capital Overview I. Capital and shares

(I) Sources of capital

1. Formation of capital to the date of publication of the annual report:

Year and month	Par value: NT$	Authorized capital		Paid-in capital		Note		
		Shares	Amount	Shares	Amount	Sources of capital	Capital increase by assets other than cash	Others
1967.11	50	240,000	12,000,000	240,000	12,000,000	Incorporated by cash funds	N/A	-
1973.6.	10	5,000,000	50,000,000	2,500,000	25,000,000	Cash increase NT$13,000,000	N/A	-
1974.6.	10	5,000,000	50,000,000	3,500,000	35,000,000	Cash increase NT$7,500,000 Capitalization of retained earnings NT$2,500,000	N/A	-
1975.6.	10	5,000,000	50,000,000	5,000,000	50,000,000	Cash increase NT$15,000,000	N/A	-
1975.10.	10	6,750,000	67,500,000	6,750,000	67,500,000	Capitalization of capital surplus NT$15,000,000	N/A	-
1976.3.	10	9,000,000	90,000,000	9,000,000	90,000,000	Cash increase NT$9,000,000 Capitalization of capital surplus NT$13,500,000	N/A	-
1977.4.	10	10,000,000	100,000,000	10,000,000	100,000,000	Cash increase NT$1,000,000 Capitalization of capital surplus NT$9,000,000	N/A	-
1978.3.	10	20,000,000	200,000,000	12,500,000	125,000,000	Cash increase NT$7,000,000 Capitalization of capital surplus NT$18,000,000	N/A	-
1979.4.	10	20,000,000	200,000,000	15,000,000	150,000,000	Cash increase NT$5,000,000 Capitalization of capital surplus NT$20,000,000	N/A	-
1980.6.	10	20,000,000	200,000,000	16,000,000	160,000,000	Cash increase NT$1,000,000 Capitalization of capital surplus NT$9,000,000	N/A	-
1981.6.	10	20,000,000	200,000,000	18,000,000	180,000,000	Cash increase NT$8,800,000 Capitalization of capital surplus NT$11,200,000	N/A	-
1982.6.	10	20,000,000	200,000,000	20,000,000	200,000,000	Cash increase NT$7,400,000 Capitalization of capital surplus NT$2,700,000 Capitalization of capital surplus NT$9,900,000	N/A	-
1987.10.	10	20,000,000	200,000,000	19,800,000	198,000,000	Cash reduction NT$2,000,000	N/A	-
1990.9.	10	60,000,000	600,000,000	60,000,000	600,000,000	Cash increase NT$402,000,000	N/A	-
1991.10.	10	80,000,000	800,000,000	80,000,000	800,000,000	Cash increase NT$200,000,000	N/A	-
1992.9.	10	150,000,000	1,500,000,000	102,400,000	1,024,000,000	Capitalization of capital surplus NT$210,000,000 Capitalization of capital surplus NT$14,000,000	N/A	-
1993.9.	10	150,000,000	1,500,000,000	125,952,000	1,259,520,000	Capitalization of capital surplus NT$227,020,000 Capitalization of capital surplus NT$8,500,000	N/A	-
1994.9.	10	150,000,000	1,500,000,000	149,882,880	1,498,828,800	Capitalization of capital surplus NT$231,751,680 Capitalization of capital surplus NT$7,557,120	N/A	-
1995.8.	10	211,000,000	2,110,000,000	165,470,700	1,654,707,000	Capitalization of capital surplus NT$149,882,880 Capitalization of capital surplus NT$5,995,320	N/A	-

1996.10.	10	350,000,000	3,500,000,000	246,744,235	2,467,442,350	Capitalization of capital surplus NT$76,116,522 Capitalization of capital surplus NT$6,618,828 Cash increase NT$730,000,000	N/A	-
1997.8.	10	350,000,000	3,500,000,000	259,081,446	2,590,814,460	Capitalization of capital surplus NT$123,372,110	N/A	-
1998.12.	10	350,000,000	3,500,000,000	350,000,000	3,500,000,000	Cash increase NT$909,185,540	N/A	-
1999.07.	10	392,000,000	3,920,000,000	360,500,000	3,605,000,000	Capitalization of capital surplus NT$105,000,000	N/A	-
2001.03	10	392,000,000	3,920,000,000	354,745,000	3,547,450,000	Capital reduction of NT$57,550,000	N/A	-
2006.10	10	392,000,000	3,920,000,000	209,179,910	2,091,799,100	Capital reduction of NT$1,455,650,900	N/A	-
2011.11	10	392,000,000	3,920,000,000	220,893,985	2,208,939,850	Capitalization of capital surplus NT$117,140,750	N/A	-
2012.8	10	392,000,000	3,920,000,000	231,938,684	2,319,386,840	Capitalization of capital surplus NT$110,446,990	N/A	-
2013.10	10	392,000,000	3,920,000,000	236,477,457	2,364,774,570	Capitalization of capital surplus NT$45,387,730	N/A	-
2015.9	10	392,000,000	3,920,000,000	231,477,457	2,314,774,570	Treasury stock cancellation of NT$50,000,000	N/A	-
2016.08	10	392,000,000	3,920,000,000	226,278,457	2,262,784,570	Retirement of treasury stock totaling NT$51,990,000	N/A	-

2. Type of shares

Type of shares	Authorized capital			Note
	Outstanding shares	Unissued shares	Total	
Registered common shares	226,278,457	165,721,543	392,000,000	Shares of publicly listed companies

3. Information on the shelf registration system: None.

(II) Shareholder structure

April 26, 2022

Shareholder structure / Number	Government Agencies	Financial Institutions	Other Juristic Persons	Individuals	Foreign institutions & natural persons	Total
Number of people	1	0	152	33,564	37	33,754
Holding Shares	72	0	9,540,424	212,788,200	3,949,761	226,278,457
Share ownership (%)	0	0	4.21	94.05	1.74	100

(III) Shareholding distribution status

1. Distribution profile of common share ownership as of April 26, 2022

Range of Shares	Number of Shareholders	%	Holding Shares	Ownership Percentage (%)
1~ 999	25,618	75.90	1,867,529	0.83
1,000~ 5,000	5,081	15.05	11,064,633	4.89
5,001~ 10,000	1,248	3.70	9,404,265	4.16
10,001~ 15,000	541	1.60	6,691,223	2.96
15,000~ 20,000	250	0.74	4,619,139	2.04
20,001~ 30,000	304	0.90	7,542,948	3.33
30,001~ 40,000	137	0.41	4,807,838	2.12
40,001~ 50,000	106	0.31	4,855,304	2.15
50,001 - 100,000	209	0.62	14,826,132	6.55
100,001 - 200,000	123	0.36	17,219,444	7.61
200,001 - 400,000	59	0.17	16,701,645	7.38
400,001 - 600,000	18	0.05	8,234,044	3.64
600,001 - 800,000	13	0.04	9,018,308	3.99
800,001~1,000,000	13	0.04	11,627,162	5.14
1,000,001 or more	34	0.11	97,798,267	43.21
Total	33,754	100.00	226,278,457	100.00

2. Issuance of preferred shares: None.

(IV) List of major shareholders

April 26, 2022

Shareholding / Name of major shareholder (Note)	Holding Shares	Share ownership (%)
Tzou Hong-Kee	10,845,271	4.79%
Tzou Ming-Chi	8,886,046	3.93%
Tzou Wei-Kee	7,264,360	3.21%
Tzou Cheng-Kee	7,106,493	3.14%
Hsu Wen-Ji	4,482,000	1.98%
Tzou Jen-Chieh	4,336,027	1.92%
Tzou Jen-Bin	4,335,729	1.92%
Liu Yue-Chin	4,316,122	1.91%
Tsao Yue-Tai	4,145,681	1.83%
Chen Cheng-Tso	3,537,744	1.56%

Note: The list of major shareholders includes shareholders with 5% or more share ownership and/or the top 10 largest shareholders.

(V) Share prices for the past two fiscal years, with company net worth per share, earnings per share, dividends per share, and related information:

Unit: NT$; 1000 shares

Description / Year			2020	2021	As of March 31, 2022 (Note 8)
Market price per share (Note 1)	Highest		6.06	7.18	6.96
	Lowest		3.26	4.65	5.70
	Average		5.12	5.70	6.28
Net value per share (Note 2)	Before distribution		7.62	8.02	8.23
	After distribution		7.62	8.02	8.23
Earnings per Share (Note 3)	Weighted average of shares		226,279	226,279	226,279
	Earnings per share (before adjustment)		(3.11)	0.47	--
	Earnings per share (after adjustment)		(3.11)	0.47	--
Dividends per share	Cash dividend		--	--	--
	Stock dividends	--	--	--	--
		--	--	--	--
	Accrued unpaid dividends (Note 4)		--	--	--
Return on investment	P/E ratio (Note 5)		--	--	--
	Price/dividend ratio (Note 6)		--	--	--
	Cash dividend yield (%) (Note 7)		--	--	--

* In the case of retained shares distribution or capital surplus shares distribution, please also disclose the information about the market value and cash dividend adjusted retroactively based on the quantity of shares as distributed.

Note 1: Please identify the highest market value and the lowest market value of the common stock in various years, and calculate the average market price for each year based on the trading value and turnover for each year.

Note 2: Please fill out the figures according to the number of outstanding shares at the end of the fiscal year and the resolution regarding distribution by the shareholders' meeting the following year.

Note 3: Please fill out basic and diluted earnings per share if retroactive adjustment is necessary due to stock dividend payout.

Note 4: If the issuance conditions of the equity securities stipulate that the undistributed dividends of the current year may be aggregated to the year with surplus to be distributed. The accumulated unpaid dividends as of the current year shall be disclosed separately.

Note 5: Price/Dividend Ratio = Average Market Price per Share / Cash Dividend per Share, if the EPS of the current year is below 0, then the price/dividend ratio shall not apply.

Note 6: Price/Dividend Ratio = Average Market Price per Share / Cash Dividend per Share

Note 7: Cash Dividend Yield = Cash Dividend per Share / Average Market Price per Share

Note 8: Please identify the net value per share and EPS available in the latest quarterly financial information audited (reviewed) by the independent auditor before the date of publication of the annual report, and the information available until the date of publication of the annual report in the other sections.

Note 9: The earnings distribution has been approved by the board, yet to be adopted by the annual shareholders' meeting.

(VI) Corporation's dividend policy and implementation thereof:

1. Corporation's dividend policy:

   Based on the Articles of Incorporation, the annual earnings of the Corporation shall be first appropriated to pay taxes and offset accumulated losses before allocating 10% of the remaining earning to the legal reserve (not applicable where accumulated legal reserve has reached the amount required by law and regulations) and a special reserve in accordance to the applicable law and regulations. Any retained earnings available for distribution together with accumulated undistributed retained earnings may be proposed by the board of directors to appropriate and be resolved at the annual shareholders' meeting.

   With consent from the majority of attending directors which represents more than two-thirds of all directors, the Corporation may appropriate a part or all of dividends, bonuses, legal reserve or capital surplus to be distributed in the form of cash. In addition, the distribution proposal shall be submitted to the shareholders' meeting. This Corporation is in the construction industry, the Corporation is in its mature stage and will continue to invest to expand its business and seek new opportunities for transformation to ensure its competitiveness. In formulating the earning distribution proposal, the board of directors will consider the stability and growth of dividends, and the most appropriate dividend distribution policy depending on the operation of the year and the future budget planning; shareholders' bonus shall be no less than 10% and cash dividends shall be no less than 20% of the total proposed dividends.

2. Allocation of dividends proposed at the shareholders' meeting:

None distributed for 2021.

3. Expecting any major change in dividend policy: None.

(VII) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: N/A.

(VIII) Employee bonus and remuneration to directors:

1. Proportion or scope of employee bonus and remuneration to directors as stated in the Corporation's Articles of Incorporation.

   Provisions in the Articles of Incorporation:

   Article 27: If the Corporation makes profits for the current year, it shall set aside 5% as employee compensation, and no more than 3% as remunerations of the directors. However, if there are still accumulated losses, the Corporation shall reserve the amount to be covered in advance, and then allocate employees' and directors' compensation in proportion as stipulated in the preceding paragraph. Employee compensation shall be resolved by the board of directors to be distributed in the form of shares or in cash. Qualification requirements of employees shall include the employees of parents or subsidiaries of the Corporation meeting certain specific requirements.

2. Basis used for employee compensation, remuneration for directors for the year, basis used for calculating the number of shares distributed as employee compensation, and the accounting of variances between the actual distribution and the estimated amount: No employee compensation, remuneration for directors was distributed.

3. Information about allocation of bonus resolved by the board meeting:

   (1) Amount of remuneration distributed to employees and Directors in the form of cash or stock: None distributed.

   (2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remuneration: None distributed.

4. Distribution of compensations to employees, directors and supervisors in the previous year: None distributed.

(IX) Share repurchases: None.

II. Issuance of corporate bonds: None.
III. Issuance of preferred shares: None.
IV. Status of participation in issuance of Global Depository Receipts (GDRs): None.
V. Status of employee stock option: None.
VI. Status of restricted employee share subscription warrant: None.
VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.
VIII. Implementation status of capital utilization plan: None.

Chapter 5 Operational Highlights

I. Business activities:

(I) Scope of business:

1. Current products of the Corporation:

(1) 1st Engineering Office, Department of Rapid Transit Systems, Taipei City Government - Civil Engineering Construction of Wanda-Zhonghe-Shulin Line (first phase) LG06 Station

(2) Department of Rapid Transit Systems, New Taipei City - Turnkey Project of Ankeng light rail transit - civil engineering

(3) Railway Bureau, MOTC - Underground project of the Linsen Station of the C213 Section

(4) Department of Urban Development, Taipei City Government - Turkey public housing project in A and B block bases in Liuzhangli District of Xinyi District

(5) Mass Rapid Transit Bureau, Kaohsiung City Government - Turnkey Project of Kaohsiung MRT system extension from Gangshan and Luzhu (first phrase) - civil engineering

(6) Kaohsiung Export Processing Zone, EZPA, MOEA - Construction Kaohsiung Park standard factory and joint office building turnkey project.

(7) Department of Urban Development, Taipei City Government - Construction of foundation A for Xinglong National Housing, Taipei City phrase 2.

(8) Department of Urban Development, Taipei City Government - Construction of foundation E for Xinglong National Housing, Taipei City phrase 2.

(9) Department of Urban Development, Taipei City Government - Construction of Section I for Xinglong National Housing in Wenshan District, Taipei City.

(10) Directorate General of Highways, MOTC act as the agent for the reconstruction project of the Nanfangao Bridge and the pipelines.

(11) Directorate General of Highways, MOTC - The construction of East-West bound Provincial Highway 76 (3K+700~11K+585) from Wenjin Village to Xizhuang Road (including agency contract for Taipower 161KV cable contract).

(12) The National Housing and Urban Regeneration Center - Sanchong Fugui Section and Wugu Wang Section Social Housing turnkey construction project in New Taipei City.

(13) Directorate General of Highways, MOTC - The construction of East-West bound Provincial Highway 76 (11k+585~16k+607) from Xizhuang to Xihu Road.

(14) The National Housing and Urban Regeneration Center - Kaohsiung City Sanmin District Xindu Section Social Housing turnkey construction project in New Taipei City.

(15) The National Housing and Urban Regeneration Center - Kaohsiung

City Nanzhi District "Qingfeng Anju" Social Housing turnkey construction project in New Taipei City.

(16) The National Taiwan Normal University - Chinese Language International School turnkey construction project.

(II) Industry overview:

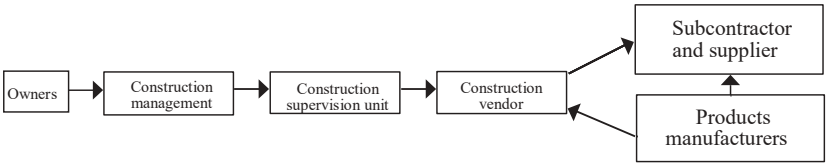
(1) Current status and development if the construction industry

The construction industry plays a vital role in Taiwan's economy. Due to the economic business cycle and the environment, the price of sand and gravel continues to rise, and the demand for construction materials is volatile. In addition, due to the domestic labor shortage and the continued rise of the prices of gasoline and steel in recent years, operation risks have increased. Fortunately, the government continues to adopt price adjustment plans which reduces the risk for the construction industry.

On the other hand, there are a large number of old buildings in the metropolitan area. Since Taiwan is located in an earthquake-zone, for the sake of disaster prevention, the Ministry of the Interior completed the legislation of the "Regulations Governing the Rewarding of Rebuilding Dangerous and Old Buildings in the Urban Area." It will promote the rebuilding and urban renewal, which will be beneficial for the construction industry in the medium and long-terms and serves as a source of business.

For future prospects, the government is limited by its tax income and expenditure. Apart from still actively investing in sewage treatment and some transportation construction projects, the number of BOT cases are on the rise. Therefore, we should enhance construction management techniques and ability, the ability for proper financial planning, and strictly manage profits to maintain the competitiveness.

(2) Relationship amongst upstream, midstream, and downstream of the industry



(3) Trends and competition for various product:

1. Development trends

Looking at the development of the construction industry in advanced countries; such as countries in Europe, the United States, and Japan; the construction industry and the financial institutions support each other, and the cost of financial capital is lower compared to our country. Furthermore, construction companies handle major projects by using a turnkey approach. Our government adopts BT and BOT approach for

many major public projects. In order to take advantage of this trend and prevent foreign competition, the competition between the domestic construction companies grew intense and they gradually developed to become large-scale enterprise, that are committed to improving the research and development of construction engineering techniques to gain competitiveness. The future trends of the construction industry are as follows:

a. Competition for public constructions becomes international and free.
   Since joining the WTO, we will inevitably sign government procurement agreements (GPA) with other countries and open our gates to foreign construction companies. In response to this trend, domestic companies might seek cooperation with foreign firms, explore the international market and work with foreign local firms. Therefore, matters related to international cooperation contracts, international capital allocation, and construction laws and regulations in different countries will dictate the future business strategies of construction companies.
b. Adoption of the turnkey approach
   Due to the financial situation of the government, in the future, it will actively encourage the private sector to participate in public construction investment, and the conduct public construction by BT and BOT projects. In response to this development trend, the construction industry must undergo major shifts. It must learn to integrate tasks such as the overall planning, design, and Investment of funds, construction, operations, etc. into its work flow, and at the same time, jointly operate with companies of other operating professions such as design consulting firms and financial companies through strategic alliances and co-investments. Inevitably upgrading its scale and ultimately encompassing industrial, commerce, service, etc.
c. Corporate management, BIM integration and information management
   Since it is expected that the construction industry will transform from a technical service industry into a composite industry, its business model will also change. Decisions regarding bidding will become a question of investment, introducing new techniques, emphasizing on efficiency, utilization of the budget and talents. BIM integration, information management and long-term corporate management will become the ultimate goals.
d. Emphasize on R&D:
   As the construction companies will ultimately become large-scale enterprises, the competition in the market will only become fiercer, research and development will inevitably become more important, and the development of new construction methods, new machineries, new materials, etc. will enhance competitiveness.

e. Development of construction automation
The construction industry is bound to promote construction automation in the face of problems such as construction resource allocation and the change in the environment. Through construction automation and construction information management, refinement to reduce the demand for labor, increase productivity, protect the environment and enhance competitiveness to overcome current dilemmas.

f. Specialization
For the small and medium-sized construction companies, specialization will be the way forward, focusing on specific items, introducing new construction methods and machinery, take on tasks that requires specific specialty, and coordinating with larger firms.

To sum up, after joining the WTO, the domestic construction market will be fully accessible for the foreign firms, and Taiwan's construction industry will face greater challenges in the face of foreign competition. Since foreign construction companies are superior in terms of scale, experience, automation level, and level of capital, domestic companies need to actively improve their competitiveness. In the future, they need to become large-scale enterprises and jointly work on projects with foreign companies through technical cooperation to withstand foreign competition, and at the same time, the companies must pay more attention to their quality, capital, and the use of automated equipment to enhance its competitiveness. This is the future trend for the domestic construction industry.

2. Competitions

The Corporation's main scope of business is the contracting public projects. At present, there are more than 19,000 construction companies in the country with varying level of capital and scale. The scope of business for the top 20 domestic construction companies includes construction of residential buildings and various public projects. Those with similar scope of business to the Corporation include BES Engineering Corporation, Continental Engineering Corporation, TE CHANG CONSTRUCTION CO., LTD., DA CIN Construction Co., Ltd., CHIEN KUO CONSTRUCTION CO., LTD., HWANG CHANG GENERAL CONTRACTOR CO., LTD., KEDGE CONSTRUCTION CO., LTD., Far Eastern General Contractor Inc., Pan Asia Corp. and RSEA Engineering Corporation that has been become privatized, are the main competitor of the Corporation.

(III) Technology and R&D:

R&D expenses input and successfully developed technologies or products from the most recent year up to the publication date of the annual report: None; N/A.

(IV) Long- and short-term business development plans

Long-term business development plans

- Participate in BOT and turnkey projects
- Diversify operations and investment in industries with a bright prospect and long-term returns
- Collaborate with financial institutions, design consultants, and construction companies to form strategic alliances

Short-term business development plans

- Grasp information regarding business-related affair and set business goals
- Actively participate in the construction industry to build its the market and conduct construction on factories and plants for corporations
- Participate in the bidding of public projects, and targeting large-scale civil engineering projects and special projects
- Participate in BOT and turnkey projects

II. Analysis of the market as well as production and marketing situation

1. Market analysis 1. Sales of major products

Type of construction	2020 proportion of revenue (%)	2021 proportion of revenue (%)
Construction	37.12%	32.64%
Civil engineering	62.81%	67.23%
Others	0.07%	0.13%

2. Likely scenario of future demand and supply of the market:

Based on its economic development policy, the government is planning to comprehensively expand its investment on infrastructure. The goal is to build the infrastructure needed for the country's development in the next 30 years - "Foresight Infrastructure Projects" include five major constructions: green construction, digital construction, urban and rural construction, water environment friendly construction, and railway construction, totaling NT$882.49 billion, which is estimated to encourage public and private sectors to invest NT$1,777.73 billion. Among them, the Executive Yuan will promote the construction of the track for the eight-year period (2017-2024), and will invest a special budget of NT$424.133 billion to improve the urban-rural gap by promoting the following: The 38 track construction projects in five major axes, including "High-speed rail and Taiwan Rail Link", "upgrading and improving eastern services of Taiwan Railways", "stereotyping of Taiwan Railways or speeding up commuting", "promoting MRT in metropolitan areas", and "having tourist railroads in central and southern Taiwan".

3. Scale of industry:

In recent years, the number of construction companies has skyrocketed each year. According to the statistics of the Taiwan Regional Engineering Contractors Association, as of March 2022, there were 19,336

construction companies in Taiwan, of which only 3,080 were Grade A companies. Most construction companies are small in scale. The government has joined the World Trade Organization (WTO), and foreign competition have entered the domestic market. In response to future developments, the construction market structure will change drastically, and the scale of the comprehensive construction company will inevitably become large-scale enterprises.

(II) Major applications and processes of major products: 1. Major product and applications

(1) Civil engineering: highways, roads, rapid transports, railway, elevated roads, tunnels, earthwork and site preparation works and structures for nuclear energy.

(2) Construction projects: Social housing, schools, landscape residential buildings, etc.

2. Product manufacturing process:

(1) Market research and decision-making → (2) Information from the industry → (3) Appraisal and bidding → (4) Successful bidding → (5) Budget preparation → (6) Construction planning → (7) Technical cooperation → (8) Procurement and outsourcing → (9) Labor arrangement → (10) Construction → (11) Owner's pricing → (12) Completion and acceptance → (13) Warranty.

(III) Supply and demand of major materials:

Except otherwise provided to the supplied by the owner, the materials are purchased by the Corporation. Most materials are available domestically, while special materials must be ordered from abroad.

(IV) Disclosure of major customers' information:

Customers with 10% of more of the total procurement/distribution, amount and percentage in any given year within the most recent two years and their reasons for change.

1. Suppliers whose supplied materials have accounted for more than 10% of annual net purchase during any of the most recent two years: None.

2. Customers whose order volumes have accounted for more than 10% of annual net sales during any of the most recent two years:

Major customers in the past two years

Unit: NTD 1,000

	2020			
Description	Name	Amount	Percentage in total net sales (%)	Relationship with the Corporation
1	Department of Rapid Transit Systems, New Taipei City	1,280,576	20	N/A
2	Department of Urban Development, Taipei City Government	870,126	14	N/A
3	Kaohsiung Export Processing Zone, EZPA, MOEA	827,987	13	N/A
4	Railway Bureau, MOTC	691,464	11	N/A
5	Freeway Bureau, MOTC	674,369	11	N/A
6	Others (Note 1)	1,959,183	31	N/A
	Net sales	6,303,705	100	

Unit: NTD 1,000

	2021			
Description	Name	Amount	Percentage in total net sales (%)	Relationship with the Corporation
1	Department of Rapid Transit Systems, New Taipei City	2,116,325	26	N/A
2	Department of Urban Development, Taipei City Government	1,370,409	17	N/A
3	Mass Rapid Transit Bureau, Kaohsiung City Government	963,134	12	N/A
4	Directorate General of Highways, MOTC	935,822	12	N/A
5	Kaohsiung Export Processing Zone, EZPA, MOEA	913,483	11	N/A
6	Others (Note 1)	1,741,620	22	N/A
	Net sales	8,042,793	100	

Unit: NTD 1,000

	As of last quarter of 2022 (Note 2)			
Description	Name	Amount	Percentage in total net sales (%)	Relationship with the Corporation
1	Directorate General of Highways, MOTC	423,553	29	N/A
2	Department of Rapid Transit Systems, New Taipei City	350,603	24	N/A
3	Department of Urban Development, Taipei City Government	341,708	23	N/A
4	Others (Note 1)	351,749	24	N/A
	Net sales	1,467,613	100	

Note: Other single customers' order volume did not exceed 10% of net sales.
Note 2: If, before the date of publication of the annual report of listed company, there is any financial data for the most recent period audited and attested or reviewed by a CPA, it shall also be disclosed therewith.

(V) Production volume and value in the most recent 2 years

Unit: NTD 1,000

Year / Production Volume/Value / Major Product (or department)	2020			2021		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Civil engineering	---	11	4,743,835	---	14	5,428,399
Construction	---	8	2,230,120	---	13	2,414,452
Others	---	1	3,087	---	1	933
Total	---		6,977,042	---		7,843,784

Note 1: Capability refers to production quantity in normal operation with the current production equipment after measuring necessary down time and holidays.
Note 2: Substitutable production capacity may be included in the production capacity and be stated in the note.

(VI) Sales quantity and value in the past 2 years

Unit: NTD 1,000

Year / Sales volume/value / Major Product (or department)	2020				2021			
	Domestic Sales		Overseas Sales		Domestic Sales		Overseas Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Civil engineering	11	3,959,405			11	5,406,937		
Construction	7	2,339,667			9	2,624,895		
Others	1	4,633			1	10,961		
Total		6,303,705				8,042,793		

III. Employees

(I) Number of employees for the two most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels

Number of employees for the two most recent fiscal years up to the date of publication of the annual report

March 31, 2022

Year		2020	2021	As of March 31, 2022 (Note)
Number of employees	Head Office	76	67	68
	Construction offices	392	343	337
	Term contract	117	152	157
	Total	585	562	562
Average age		46.5	46.9	46.9
Average year of services		11.3	10.5	10.8
Distribution of education backgrounds of official employees	Ph.D	1	1	2
	Master	34	26	26
	Bachelor's degree	389	350	341
	Senior high	40	30	34
	Below Senior High School	4	3	2

Note: Please specify the information for the current year available until the date of the publication of the annual report.

(II) Employee education and training:

(1) The Corporation has formulated rules governing education and training management:

1. Purpose

1.1 Enterprises and employees influence one another. Since the Corporation must adapt to the changes in the environment, and to do that, strong cooperation and loyalty from within and the ability of its members are key. Therefore, in order to achieve sustainable operations, the Corporation must enhance the abilities of their employees. Improvement of personnel's ability must rely on education and training.

1.2 The implementation of education and training can improve employees' knowledge and skills, provide employees with the correct work ethics, establish a good work attitude, improve the quality of employees, accumulate technologies, cultivate talents, work on skill deficiencies, facilitate smooth communication, and promote cooperation.

1.3 The indirect goal is to facilitate development of the Corporation, and the direct goal is to improve the living standards of our employees,

guide the development of a good personality, cultivate talents, improve efficiency, increase employees' knowledge, and improve their skills.

2. Scope: The Corporation's permanent employees.

3. Definitions:

3.1 Professional courses: refer to the training related to the functions of the departments (office) set up by each department (office) or the professional training courses given to certain positions. Employees need to register according to the nature of their jobs.

3.2 General courses: refers to training courses that can be attended by all employees, including management courses and enlightening courses.

3.3 Team leaders for education and training: a person shall be designated by each department (office) or construction site to be responsible for training-related affairs of that unit.

3.4 Expenses for education and training: expenses that incurred due to the education and training, including registration fees, lecturer fees, transportation expenses, travel expenses, and meal expenses.

4. Job Description:

4.1 Prepare annual education and training plan:

4.1.1 The supervisors of each unit shall review the performance of each employee based on the interview record during the appraisal and propose training needs.

4.1.2 The supervisor of each unit reviews shall review the workforce of the previous year and considers whether the current employees meet the requirements of the contract, the license requirements of the law and regulations and the training budget, and compiles the [unit's annual education and training plan].

4.1.3 The management department compiles the [unit annual education and training plan] from each department (office) or construction site into the [annual internal education and training plan] and submits it to the general manager for approval before implementation.

5. Methods of training

5.1 Internal training:

5.1.1 All units handle various education and trainings in accordance with the [annual internal education and training course schedule] announced by the management department.

5.1.2 Employees who wishes to participate in the courses shall register with the team leaders for education and training, and the registration form for each course must be approved by supervisor of that unit.

5.1.3 The team leaders for education and training shall ask the employee to fill out the [training feedback and evaluation form], after the employee completes the training, and compile the forms to fill out [education and training effectiveness evaluation form]. The course

handouts and attendance report document shall be returned to the management department for keeping records.

5.1.4 The lecturer fee for internal lecturers from the Corporation is NT$500 per hour.

5.2 External training:

5.2.1 Employees that wishes to attend external training must first fill out the [employee external training application form]. After being approved by supervisor of that unit, the form shall then be submitted to the management department for processing. After being approved by the general manager approves, the unit and the management department will notify the employee to attend the external training and return the external training application form for reimbursement purposes.

5.2.2 The employee must submit the [training feedback and evaluation form] within one week after completing the training, and submit the form to the management department for registration. If the training course is for obtaining a license, a copy of the license must be submitted to the management department.

5.3 Education and training fees

5.3.1 The education and training expenses for each unit must be reported in advance and written off in accordance with the relevant procedures of the Corporation.

5.3.2 After the completion of the training, the expenses of all units shall be compiled by the administrative division and report submitted to the management department for approval, and then the management department shall send it to the finance department for accounting.

(2) The education and training expenses for the 2021 was NT$105,000, and the education and the training expenses as of March 31, 2022 was NT$41,000.

(III) Licenses acquired by personnel related to financial information transparency:

Name	Division	Title	Name of license
Chen Po-Chung	Finance Department	Chief Finance Officer	Certificate of Financial and Accounting Supervisor
Hsiu-Yu Tsao	Finance Department	Team Leader	Stock affair personnel, accountant

(IV) Ethical guidelines for employees' conducts

In order to establish a management system and improve organizational functions, the Corporation formulated rules in accordance with relevant laws and regulations and the characteristics of its business. All employees of the Corporation shall abide by such rules. The employees referred to in the rules shall mean employees from the general manager that are officially hired by the Corporation and personnel with regular contracts. If the special rules provide otherwise, it shall be implemented accordingly. Unless otherwise provided by relevant law and regulations, service, employment, work, vacation, leave, salary, overtime, discipline, rewards and punishments, termination of employment, resignation, retirement, compensation for occupational accidents, benefits, performance appraisal, safety and health, etc. of employees of the Corporation shall be governed by the rules. Where a commission or other contractual relationships exists, the rules shall be followed in addition to such contracts.

IV. Environmental protection expenditure

(I) Damage from polluting the environment for the most recent 2 years

Unit: NT$

	2020			2021	
Type of pollution	Noise and waste			Air, noise and water pollution and waste	
Agency of disposition (Environmental Protection Bureau)	Taipei City	New Taipei City	Kaohsiung City	Taipei City	New Taipei City
Compensation and disposition	36,600	4,800	4,800	117,000	154,600

(II) Countermeasure (targeting the pollution types occurring in these two years)

1. Propose improvement measures

◎ Air pollution control:

(1) During the construction project period, construction project owners shall use one of the following control facilities to effectively suppress dust on vehicle routes within the construction site:

- Steel plates.
- Concrete.
- Asphalt concrete.
- Coarse grade mixture or other granular materials with equivalent functions.

The control facilities in the foregoing paragraph need to cover more than 50 percent of the vehicle route surface area. For Type 1 construction projects, control facilities must cover 80% or more of

the vehicle route surface area.

Vehicle routes from carwash facilities to major roads shall comply with the regulations of Paragraph 1.

(2) When transport vehicles and machinery that transport construction materials exit the construction site, control facilities that tightly cover the transported materials with dustproof fabric or other non-breathable covers shall be used to prevent fugitive dust emissions or materials from falling to the ground and polluting the environment.

(3) Carwash facilities are set up at the entrances and exits of the construction site. When vehicles leave the construction site, the vehicle body and tires shall be effectively washed so that no sludge sticks to their surface before being allowed to leave the site.

(4) Control facilities shall be used to effectively suppress dust on exposed areas within the construction site, such as covering with dust-control fabric or a dust-control mesh, regular water spraying measures, planting of vegetation and paving with steel plates, concrete, etc.

(5) The inside and outside of the construction site and the surrounding roads shall be regularly and irregularly cleaned, sprayed water and washed.

(6) Gasoline and diesel used in construction machinery and engines should be periodically sent to a qualified inspection agency for inspection, and the oil composition should meet the regulatory standards

(7) Set up appropriate fencing. If a sidewalk is beside the fence, pedestrian path must be set up and greenery must be planted.

◎ Waste disposal:

(1) The materials on the construction site must be neat stacked, and not obstruct personnel passages. The materials shall be covered by a canvass when necessary. No garbage shall be disposed in incorrect places.

(2) The excavated earthwork from the construction site shall be transported to the approved locations.

(3) General waste/general industrial waste on the construction site should be entrusted to a qualified vendor for removal and disposal.

(4) The storage or disposal of hazardous materials on the construction site shall be handled in accordance with relevant laws and regulations.

(5) If the waste products generated on the construction site, including waste soil, etc., was placed outside of the construction site, personnel shall be dispatched immediately to clean up and transport the waste product.

(6) No advertisement on the fence surrounding the construction site.

◎ Noise prevention:

(1) Equipment maintenance

Regular testing and maintenance of construction equipment and machinery.

(2) Allocation of machinery

When setting up construction equipment and machinery, the equipment and machinery shall be kept at a proper distance from the neighboring residents to avoid the noise interruptions caused by operation.

(3) Enclosure:

Sound insulation covers can be used on the exterior of the construction equipment and motors to isolate the noise.

(4) Adoption of equipment

Equipment that only emits little noises shall be used for construction to uphold the quality of the environment for neighboring residents; soft padding materials shall be used on equipment that vibrates; noise canceling devices shall be installed at the exhaust of the mechanical equipment.

(5) Limitation on working hours:

Construction schedule shall consider the daily routines of the neighborhood, and night construction should be avoided as much as possible; adjust construction schedule to avoid idling running equipment and machinery or using multiple equipment and machinery at the same time.

(6) Management of subcontractors:

Formulate internal operation management rules, and set up management announcement boards should be set up; request proper environment management through provisions of contracts and on-site reminders.

(7) Operating procedures management:

Reduce unnecessary collisions between machinery and metal objects and reduce the noise generated; maintain even road surfaces on the construction during construction to reduce the noise made by moving vehicles and machinery.

(8) Neighborliness:

During construction periods that would generate a lot of noises, warn and communicate with neighboring residents, so they are psychologically prepared and have a chance to adjust their daily routines in advance to reduce the impact of noise.

2. Expected environmental capital expenditure for the future triennium

Unit: NTD 1,000

Year Description	2022	2023	2024
Expense for purchasing pollution prevention equipment, etc.	Purchase machinery and equipment that emits little pollution and noise, and set up air pollution prevention equipment (for example, sprinkler)	Purchase machinery and equipment that emits little pollution and noise, and set up air pollution prevention equipment (for example, sprinkler)	Purchase machinery and equipment that emits little pollution and noise, and set up air pollution prevention equipment (for example, sprinkler)
Estimated improvement	Reduce environmental pollution Reduce environment-related fines	Reduce environmental pollution Reduce environment-related fines	Reduce environmental pollution Reduce environment-related fines
Amount	$ 25,000	$ 25,000	$ 25,000

3. Impact after improvement.

In order to thoroughly improve the environmental problems caused by constructions, the Corporation not only takes prevention measures that are immediate and effective, but also strengthen supervision and cultivate environmental pollution prevention experts to jointly uphold environmental protection, gain a good reputation, and enhance competitiveness.

V. Labor relations

(I) Current material labor related agreements and implementation

1. Employee benefits

A harmonious relationship between the workforce and management is an important foundation for the sound development of the Corporation. Therefore, all companies are committed to the pursuit of such harmonious relationship. The Corporation focuses on employee welfare, adopt a humanized management approach, and promote the following to further facilitate a harmonious between the workforce and management in response to major changes in the industrial environment:

(1) Enhance the functionalities of the employee welfare committee.

The Corporation's employee welfare committee has four branches: Taipei HQ branch, northern region branch, central region branch, and southern region branch; the employee welfare committee handles employees' domestic and overseas trip, assist with the establishment and operation of employee clubs, and award and sponsor the children of outstanding

employees, provide monetary blessings for festivals, weddings and funerals. Furthermore, the committee is working towards long-term goals such as setting up loan mechanism to help facilitate housing construction and purchases, employee welfare stores, provide career planning, and education for the workforce.

(2) Strengthen employee training.

Through education and training to convey the Corporation's business philosophies, enhance employees' professional skills and cultivate their ability to perform tasks in the future, as well as facilitate communications of opinions between the workforce and management, improve internal processes and efficiency, and encourage the will to succeed and loyalty to the Corporation.

2. Pension Reserve:

In accordance with the law, the Corporation sets aside 6% to them monthly salary to the personal pension account at the Bureau of Labor for employees who started after July 2005 as well as employees who opted to use the new Labor Pension Act. For employees to whom the old system applied as well as existing employees who opted to keep the old system, their years of service were retained and calculated in accordance with the former pension rules for pension reserve fund to be set aside.

3. Labor-management negotiation status

(1) Labor union organization: None.

(2) Holidays and overtimes shall comply with the Labor Standards Act.

(3) Labor insurance is based on actual insured salary with the Bureau of Labor Insurance, MOL, and the NHI is provided.

(4) The salary level is comparable to industry levels.

(5) Monetary blessings or gifts for Labor Day, Dragon Boat Festival and Mid-Autumn Festival, end-of-the-year bonuses and performance bonuses.

(6) Leisure activities: a. ball games b. television c. books and magazines d. trips e. end-of-the-year bonuses, annual dinners and lottery.

(7) Scholarships for employees' children.

(8) Employees' insurance against accidents and medical insurance (except labor insurance and NHI).

(9) Monetary blessings for wedding and funeral.

(10) Outstanding employees may seek further education at various universities and academic institutions at home or abroad at the expense of the Corporation.

(II) Total losses arising from employment relations disputes for the

most recent fiscal year up to the publication date of the annual report: None.

(III) Estimation of the current and future amount: Relations between the Corporation management and the workforce have always been amicable, there is no sign that indicates labor disputes may occur at present or in the future.

VI. Cyber security management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

1. The company has not yet established an information security committee and its organization, and at present, the director of the information unit is also responsible for information security-related matters.
2. Information Security Policy:
   (1) Establish inventory of information assets and personal data.Risk management based on information security and personal data risk assessment.Implement various control measures.
   (2) Conduct information security and personal data protection education training and publicity work from time to time.
   (3) Outsourced manufacturers need to sign a non-disclosure agreement ensure that those who use the company's information services or perform related information services have the responsibility and obligation to protect the company's information assets obtained or used by them, and unauthorized access, modification, destruction or improper disclosure.
   (4) Important information systems or equipment have established appropriate backup, backup or monitoring mechanisms and are regularly rehearsed to maintain their availability.
   (5) Antivirus software is installed on all personal computers and the virus pattern is updated regularly, and the use of unauthorized software is prohibited.
   (6) It is required that employee accounts, passwords and permissions should be properly kept and used.
   (7) Regular internal audits are carried out every year to ensure the effectiveness of the information security and personal information protection management system.
3. Implementing principles and investing resources in security management.
   To ensure the continuity of information security, information security management operations should follow the cycle mode of planning, execution, inspection, and continuous improvement, while also taking into account laws and regulations, technological evolution, and existing environmental resources to make appropriate and security-compliant additions and reviews.

(II) In the most recent year and as of the publication date of the annual report, if the losses, possible impacts and countermeasures of major information security incidents cannot be reasonably estimated, specify the facts that cannot be reasonably estimated: None.

VII. Important Contracts

Nature of contract	Parties to the contract	Contract term	Major contents	Restrictions
Construction contract	1st Engineering Office, Department of Rapid Transit Systems, Taipei City Government - C287	2014.12.02-2024.06.02	Civil Engineering Construction of Wanda-Zhonghe-Shulin Line (first phase) LG06 Station	N/A
Construction contract	Department of Rapid Transit Systems, New Taipei City - C292	2016.04.06-202211.12	Turnkey Project of Ankeng light rail transit - civil engineering	N/A
Construction contract	Railway Bureau, MOTC - C295	2018.01.10-2026.03.29	Underground project of the Linsen Station of the C213 Section	N/A
Construction contract	Department of Urban Development, Taipei City Government - A143	2018.05.05-2023.02.28	Turkey public housing project in A and B block bases in Liuzhangli District of Xinyi District	N/A
Construction contract	Mass Rapid Transit Bureau, Kaohsiung City Government - C296	2018.10.22-2023.01.11	Turnkey Project of Kaohsiung MRT system extension from Gangshan and Luzhu (first phrase) - civil engineering	N/A
Construction contract	Kaohsiung Export Processing Zone, EZPA, MOEA - A145	2018.09.26-2022.01.29	Construction Kaohsiung Park standard factory and joint office building turnkey project.	N/A
Construction contract	Department of Urban Development, Taipei City Government - A146	2019.05.06-2022.09.26	Construction of foundation A for Xinglong National Housing, Taipei City phrase 2	N/A
Construction contract	Department of Urban Development, Taipei City Government - A147	2019.05.06-2022.12.22	Construction of foundation E for Xinglong National Housing, Taipei City phrase 2	N/A
Construction contract	Department of Urban Development, Taipei City Government - A148	2020.05.01-2024.06.07	Construction of Section I for Xinglong National Housing in Wenshan District, Taipei City	N/A
Construction contract	Directorate General of Highways, MOTC - C297	2020.07.16-2022.10.11	Act as the agent for the reconstruction project of the Nanfangao Bridge and the pipelines	N/A
Construction contract	Directorate General of Highways, MOTC - C298	2020.11.30-2023.08.01	The construction of East-West bound Provincial Highway 76 (3K+700~11K+585) from Wenjin Village to Xizhuang Road (including agency contract for Taipower 161KV cable contract)	N/A
Construction contract	National Housing and Urban Regeneration Center - A149	2020.09.22-2024.11.15	Sanchong Fugui Section and Wugu Wang Section Social Housing turnkey construction project in New Taipei City	N/A
Construction contract	Directorate General of Highways, MOTC - C300	2021.07.01-2025.07.12	The construction of East-West bound Provincial Highway 76 (11k+585~16k+607) from Xizhuang to Xihu Road	N/A
Construction contract	National Housing and Urban Regeneration Center - A150	2021.05.28-2025.04.13	Kaohsiung City Sanmin District Xindu Section Social Housing turnkey construction project	N/A
Construction contract	National Housing and Urban Regeneration Center - A151	2021.12.22-2026.12.10	Kaohsiung City Nanzhi District "Qingfeng Anju" Social Housing turnkey construction project	N/A
Construction contract	The National Taiwan Normal University - A152	2022.04.13-2025.05.31	Chinese Language International School turnkey construction project	N/A

Chapter 6 Financial Information

I. Condensed balance sheets and statements of comprehensive income for the past five fiscal years:

(1) Condensed balance sheets and statements of comprehensive income

Condensed balance sheet (consolidated under IFRS)

Unit: NTD 1,000

Year / Description		Financial summary for the last five years (Note 1)					Financial Information ending March 31, 2022 (Note 3)
		2021	2020	2019	2018	2017	
Current assets		4,432,624	4,237,595	6,089,827	6,720,668	6,631,052	4,235,568
Real estate, plants and equipment (Note 2)		646,176	652,031	515,902	514,679	448,037	648,488
Intangible assets		113	203	0	0	0	402
Other assets (Note 2)		937,298	1,039,996	1,064,425	1,906,713	2,007,594	960,221
Total assets		6,016,211	5,929,825	7,670,154	9,142,060	9,086,683	5,844,679
Current liabilities	Before distribution	4,151,649	4,161,268	5,117,763	6,605,165	6,594,409	3,920,386
	After distribution	4,151,649	4,161,268	5,117,763	6,605,165	6,594,409	3,920,386
Non-current liabilities		49,789	45,440	95,036	129,177	231,884	61,268
Total liabilities	Before distribution	4,201,438	4,206,708	5,212,799	6,734,342	6,826,293	3,981,654
	After distribution	4,201,438	4,206,708	5,212,799	6,734,342	6,826,293	3,981,654
Profit and/or loss attributable to the owners of parent company		1,814,773	1,723,117	2,456,676	2,407,718	2,260,390	1,863,025
Equity		2,262,785	2,262,785	2,262,785	2,262,785	2,262,785	2,262,785
Capital reserve		13,156	13,156	13,156	13,156	13,156	13,156
Retained earnings	Before distribution	(375,685)	(484,471)	221,780	130,588	(59,475)	(351,538)
	After distribution	(375,685)	(484,471)	221,780	130,588	(59,475)	(351,538)
Other equity		(85,483)	(68,353)	(41,045)	1,189	43,924	(61,378)
Treasury Stock		0	0	0	0	0	0
Non-controlling interest		0	0	679	0	0	0
Total equity	Before distribution	1,814,773	1,723,117	2,457,355	2,407,718	2,260,390	1,863,025
	After distribution	1,814,773	1,723,117	2,457,355	2,407,718	2,260,390	1,863,025

(1-2) Condensed statement of comprehensive income (consolidated under IFRS)

Unit: NTD 1,000

Year / Description	Financial summary for the last five years (Note 1)					Financial Information ending March 31, 2022 (Note 2)
	2021	2020	2019	2018	2017	
Revenue	8,042,793	6,303,705	7,319,137	7,471,526	8,570,547	1,467,613
Gross operating profit	199,009	(673,337)	121,535	102,250	(477,913)	69,578
Operating profit and/or loss	57,838	(830,673)	(41,146)	(55,489)	(638,828)	19,788
Revenue and expense outside operation	48,892	146,239	73,836	134,684	88,396	4,359
Net profit (loss) before tax	106,730	(684,434)	32,690	79,195	(550,432)	24,147
Net income (loss) of the current period from continuing operations	105,385	(704,543)	32,906	66,810	(541,084)	24,147
Loss from discontinued operations	0	0	0	0	0	0
Net profit (loss) of the period	105,385	(704,543)	32,906	66,810	(541,084)	24,147
Other comprehensive income (loss) (Income after Tax)	(13,729)	(30,157)	15,354	41,024	(37,070)	24,105
Total comprehensive income for the period	91,656	(734,700)	48,260	107,834	(578,154)	48,252
Net profit attributable to parent company	105,385	(703,401)	33,540	66,810	(541,084)	24,147
Net profit attributable to non-controlling interest	0	(1,142)	(634)	0	0	0
Total comprehensive income attributable to the owners of parent company	91,656	(733,559)	48,958	107,834	(578,154)	48,252
Total comprehensive income attributable to non-controlling interest	0	(1,141)	(698)	0	0	0
Basic earnings (loss) per share (NT$)	0.47	(3.11)	0.15	0.30	(2.39)	0.11

(1-3) Condensed balance sheet (individual under IFRS)

Unit: NTD 1,000

Description \ Year		2021	2020	2019	2018	2017
Current assets		3,805,549	3,610,139	5,453,972	6,069,761	5,904,452
Real estate, plants and equipment (Note 2)		570,908	574,123	424,536	429,436	448,037
Intangible assets		113	203	-	-	-
Other assets (Note 2)		1,638,592	1,744,313	1,777,252	2,646,901	2,734,166
Total assets		6,015,162	5,928,778	7,655,760	9,146,098	9,086,655
Current liabilities	Before distribution	4,150,600	4,160,221	5,114,030	6,609,203	6,594,381
	After distribution	4,150,600	4,160,221	5,114,030	6,609,203	6,594,381
Non-current liabilities		49,789	45,440	85,054	129,177	231,884
Total liabilities	Before distribution	4,200,389	4,205,661	5,199,084	6,738,380	6,826,265
	After distribution	4,200,389	4,205,661	5,199,084	6,738,380	6,826,265
Profit and/or loss attributable to the owners of parent company						
Equity		2,262,785	2,262,785	2,262,785	2,262,785	2,262,785
Capital reserve		13,156	13,156	13,156	13,156	13,156
Retained earnings	Before distribution	(375,685)	(484,471)	221,780	130,588	(59,475)
	After distribution	(375,685)	(484,471)	221,780	130,588	(59,475)
Other equity		(85,483)	(68,353)	(41,045)	1,189	43,924
Treasury Stock		-	-	-	-	-
Non-controlling interest		-	-	-	-	-
Total equity	Before distribution	1,814,773	1,723,117	2,456,676	2,407,718	2,260,390
	After distribution	1,814,773	1,723,117	2,456,676	2,407,718	2,260,390

*If only the parent company has financial statements made, only the condensed balance sheets and statements of the parent company's comprehensive income for the past 5 fiscal years have to be made.

* Where financial information is prepared for less than five years using IFRS, financial information in Table 2 below shall also be prepared using the Financial Accounting Standards of the Republic of China.

Note 1: The above financial information has been audited or verified by CPAs.

Note 2: Those who have applied for asset revaluation in the year should include the date of processing and the value of the revaluation.

Note 3: Companies that are listed or their stock is trading on an over-the-counter market shall set out the information as of the quarter before the printing date of the annual report. Furthermore, state whether the financial information was either certified, audited by CPAs, or both.

Note 4: Figures after distribution referred to above is based on the resolutions approved during the annual shareholders' meetings for the year.

Note 5: For those who have been notified by the competent authority to revise their financial information or make the corrections by themselves, all the figures/numbers used shall be the revised or corrected ones, and the status and reasons for such revision shall be noted.

(1-4) Consolidated condensed balance sheet (individual under IFRS)

Unit: NTD 1,000

Year / Description	Financial summary for the last five years (Note 1)				
	2021	2020	2019	2018	2017
Revenue	8,039,342	6,299,072	7,313,749	7,471,526	8,570,547
Gross Operating Profit (Loss)	196,469	(674,883)	118,899	102,250	(477,913)
Operating profit and/or loss	61,991	(815,587)	(31,269)	(42,556)	(637,255)
Revenue and expense outside operation	44,739	132,295	64,591	121,749	86,667
Net profit (loss) before tax	106,730	(683,292)	33,322	79,193	(550,588)
Net income (loss) of the current period from continuing operations	105,385	(703,401)	33,540	66,810	(541,084)
Loss from discontinued operations	0	0	0	0	0
Net profit (loss) of the period	105,385	(703,401)	33,540	66,810	(541,084)
Other comprehensive income (loss) (Income after Tax)	(13,729)	(30,158)	15,418	41,024	(37,070)
Total comprehensive income for the period	91,656	(733,559)	48,958	107,834	(578,154)
Basic earnings (loss) per share (NT$)	0.47	(3.11)	0.15	0.30	(2.39)

*If only the parent company has financial statements made, only the condensed balance sheets and statements of the parent company's comprehensive income for the past 5 fiscal years have to be made.

* Where financial information is prepared for less than five years using IFRS, financial information in Table 2 below shall also be prepared using the Financial Accounting Standards of the Republic of China.

Note 1: The above financial information has been audited or verified by CPAs.

2: Companies that are listed or their stock is trading on an over-the-counter market shall set out the information as of the quarter before the printing date of the annual report. Furthermore, state whether the financial information was either certified, audited by CPAs, or both.

3: Loss from discontinued operations is shown in net amount after income tax.

4: If the competent authority notified that the financial information is required to be corrected or restated, the financial information shall be presented with corrected or restated figures, and shall indicate the circumstances and reasons.

II. Name of CPAs and audit opinions in the most recent 5 years

Years	Name of CPA	Opinions on the audit
2017	Chen Chung-Che and Chih Shih-Chin	Unqualified opinion
2018	Chen Chung-Che and Chih Shih-Chin	Unqualified opinion
2019	Chen Chung-Che and Chih Shih-Chin	Unqualified opinion
2020	Chen Chung-Che and Chang Shu-Ying	Unqualified opinion
2021	Chen Chung-Che and Chang Shu-Ying	Unqualified opinion

II. Financial analyses for the past five fiscal years

(1-1) Financial analysis (consolidated under IFRS)

Items (Note 3) \ Year (Note 1)		Financial Analysis for the Most Recent 5 Year					As of March 31, 2022
		2021	2020	2019	2018	2017	
Financial structure (%)	Liabilities to assets ratio	69.84	70.94	67.96	73.66	75.12	68.12
	Long-term working capital to real estate, plants and equipment ratio	288.55	271.23	494.74	492.91	556.27	296.74
Solvency %	Current ratio	106.77	101.83	118.99	101.75	100.56	108.04
	Quick ratio	102.67	97.50	114.99	96.49	94.88	103.36
	Interest coverage multiplicity	484.668	(3,574.22)	167.41	247.57	(884.41)	603
Manageability	Accounts receivable turnover rate (Number of time)	61.60	23.86	5.22	3.24	3.55	175.29
	Average cash collection days	5.92	15.29	69.92	112.65	102.81	2.08
	Inventory turnover rate (Number of time)	NA	39,087.07	124.62	96.64	52.62	NA
	Accounts payable turnover rate (Number of time)	3.26	2.65	2.48	2.50	3.42	2.57
	Average days required for sales	NA	0.00	2.92	3.77	6.93	NA
	Real estate, plants and equipment turnover rate (Number of time)	12.39	10.79	14.20	15.52	15.62	9.07
	Aggregate total asset turnover rate (Number of time)	1.34	0.92	0.87	0.82	0.87	0.98
Profitability	Asset return ratio (%)	2.136	(10.14)	0.86	1.22	(5.04)	0.47
	Equity return ratio (%)	5.95	(33.70)	1.35	2.86	(20.99)	1.31
	Pre-tax profit to paid-in capital (%) (Note 7)	4.72	(30.24)	1.44	3.50	(24.33)	1.07
	Net profitability (%)	1.31	(11.77)	0.45	0.89	(6.31)	1.65
	Earnings per share (EPS)(NT$)	0.47	(3.11)	0.15	0.30	(2.39)	0.11
Cash flow	Cash flow ratio (%)	(15.489)	(6.73)	5.43	(13.22)	8.43	(10.95)
	Cash flow adequacy ratio (%)	(523.09)	(282.66)	15.80	57.58	129.12	(2,685.83)
	Cash Reinvestment Ratio (%)	(38.45)	(17.83)	11.99	(37.13)	21.23	(24.93)
Leverage	Operating leverage	3.44	0.81	(2.95)	(1.84)	0.75	3.52
	Financial leverage	1.92	0.97	0.46	0.51	0.92	1.32

During the past 2 years, financial ratios that reaches 20% are explained as follows:

1. Interest coverage multiplicity, Asset return ratio, Equity return ratio, Net income before income

taxes to paid-in capital, Net profitability, Earnings per share, Cash flow adequacy ratio, Cash reinvestment ratio, and Operating leverage increased due to the change from loss to profit in 2021. Therefore, the ratios differed significantly.

2. The receivables turnover rate and average cash collection days are due to the large amount of accounts receivable collected at the end of the period, so the rates vary significantly.
3. The payables turnover rate increased due to the settlement of retention on completed sites.
4. The total assets turnover rate increased due to the increase in operating revenue and profitability.
5. The cash flow ratio is due to the increasing investment in construction in progress.

(1-2) Financial analysis (individual under IFRS)

Items (Note 3) \ Year (Note 1)		Financial Analysis for the Most Recent 5 Year				
		2021	2020	2019	2018	2017
Financial structure (%)	Liabilities to assets ratio	69.83	70.94	67.91	73.67	75.12
	Long-term working capital to real estate, plants and equipment ratio	326.60	308.04	598.71	590.75	556.27
Solvency %	Current ratio	91.69	86.78	106.65	91.84	89.54
	Quick ratio	87.68	82.54	102.77	88.33	83.86
	Interest coverage multiplicity	485	(3,585)	169	248	(885)
Manageability	Accounts receivable turnover rate (Number of time)	61.58	23.91	12.28	4.99	3.55
	Average cash collection days	5.93	15.27	29.72	73.15	102.82
	Inventory turnover rate (Number of time)	N A	N/A	N/A	394.60	52.62
	Accounts payable turnover rate (Number of time)	3.26	2.66	2.48	2.50	3.42
	Average days required for sales	N A	N/A	N/A	0.92	6.94
	Real estate, plants and equipment turnover rate (Number of time)	14.04	12.62	17.13	17.03	15.62
	Aggregate total asset turnover rate (Number of time)	1.35	0.93	0.87	0.82	0.87
Profitability	Asset return ratio (%)	2.14	(10.14)	0.87	1.22	(5.04)
	Equity return ratio (%)	5.96	(33.66)	1.38	2.86	(20.99)
	Ratio of Income before tax to paid-in capital (%) (Note 7)	4.72	(30.20)	1.47	3.50	(24.33)
	Net profitability (%)	1.31	(11.17)	0.46	0.89	(6.31)
	Earnings per share (EPS)(NT$)	0.47	(3.11)	0.15	0.30	(2.39)
Cash flow	Cash flow ratio (%)	(15.89)	(7.32)	5.34	(13.18)	(4.01)
	Cash flow adequacy ratio (%)	(677.85)	(433.08)	32.40	44.87	58.17
	Cash reinvestment ratio (%)	(39.62)	(19.40)	11.80	(37.06)	(11.85)
Leverage	Operating leverage	3.17	0.83	(3.80)	(2.40)	7.44
	Financial leverage	1.81	0.98	0.39	0.44	0.53

During the past 2 years, financial ratios that reaches 20% are explained as follows:

1. Interest coverage multiplicity, Asset return ratio, Equity return ratio, Net income before income taxes to paid-in capital, Net profitability, Earnings per share, Operating leverage and Financial leverage increased due to the change from loss to profit. Therefore, the ratios differed significantly.
2. The receivables turnover rate and average cash collection days are due to the large amount of receivables collected at the end of the period.
3. The payables turnover rate increased due to the increase in operating costs.

4. The payables turnover rate increased due to the increase in operating revenue.
5. The cash flow ratio is due to the significant increase in the amount of contract assets.
6. The net cash flow adequacy ratio and cash reinvestment ratio increased due to the peak production of various projects.

*If the parent company only has financial statements made, only the financial ratio analysis of the parent company has to be made.

* Where financial information is prepared for less than five years using IFRS, financial information in Table 2 below shall also be prepared using the Financial Accounting Standards of the Republic of China.

Note 1: The above financial information has been audited or verified by CPAs.

Note 2: If, before the date of publication of the annual report of a listed company, there is any financial data for the most recent period audited and attested or reviewed by a CPA, it shall also be disclosed therewith.

Note 3: Calculation formula:

1. Financial structure
   (1) Liabilities to assets ratio＝Total liabilities／Aggregate total of assets.
   (2) Long-term working capital to real estate, plants and equipment ratio＝（Aggregate total of equity＋Non-current liabilities）／Net real estate, plants and equipment.
2. Solvency
   (1) Current ratio ＝Current assets／Current liabilities.
   (2) Quick ratio ＝（Current assets－Inventory－Expenses paid in advance）／Current liabilities.
   (3) Interest coverage multiplicity＝Net profit before income tax, interest and expenses／Interest expenditures this term.
3. Manageability
   (1) Accounts receivable(including notes receivables from operating activities and accounts receivable) turnover rate＝ Net sales／Average balance of accounts receivable(including notes receivables from operating activities and accounts receivable) in various terms.
   (2) Average cash collection days＝365／Accounts receivable turnover rate.
   (3) Inventory turnover rate＝Sales costs／Average amount of inventory.
   (4) Accounts payable (including notes payable from operating activities and accounts payable) turnover rate＝ Sales costs／Average balance of accounts payable (including notes payable from operating activities and accounts payable) of various terms.
   (5) Average days required for sales＝365／Inventory turnover rate.
   (6) Total fixed assets turnover rate = net sales/net total fixed assets.
   (7) Aggregate total asset turnover rate＝ Net sales／Average aggregate total of assets.
4. Profitability
   (1) Asset return ratio ＝ [Profit and/or loss after tax＋Interest expenses（1

－Tax rate）]／Average aggregate total of assets.

(2) Equity return ratio ＝Profit and/or loss after tax／Average aggregate total of equity.

(3) Net profitability ＝Profit and/or loss after tax／ Net sales.

(4) Earnings per share (EPS)＝（Profit and/or loss belonging to parent company proprietor －Preferred shares dividend）／Weighted average number of outstanding shares. (Note 4)

5. Cash flow

(1) Cash flow ratio＝Cash flow in operating activities／Current liabilities.

(2) Net cash flow adequacy ratio＝Cash flow in operating activities over the past five years／(Capital expenditure＋Amount of inventory increase ＋Cash dividend) over the past five years.

(3) Cash reinvestment ratio＝(Cash flow in operating activities－Cash dividend)／(Gross property, plant, and equipment ＋Long-term investment ＋Other assets＋operating fund). (Note 5)

6. Leverage:

(1) Operating leverage = (Net operating revenue - Variable operating costs and expenses)/Operating income (Note 6).

（2） Financial leverage = Operating income/(Operating income - Interest expenses).

Note 4: Special attention shall be paid to the following matters when using the calculation formula of earning per share above:

1. Shares outstanding are based on weighted average shares, and not based on year end shares outstanding.
2. Cash offerings or treasury stock transactions are considered in calculating weighted average shares.
3. Earnings appropriation or reserves to paid in capital shall be calculated and adjusted accordingly.
4. If preferred shares are cumulative non-convertible preferred shares, dividends shall be subtracted (regardless of whether they are paid out in dividends), from after tax net profit. If preferred shares are non-cumulative, in the event of net profits, preferred shares shall be subtracted after tax, but no adjustments needed if there are losses.

Note 5: Special attention should be paid to the following when measuring cash flow analysis:

1. Cash flows from operating activities refers to operating cash flows.
2. Capital expenditures are from the annual cash flow statements on capital expenditure outflows.
3. Inventory increases are from period end balance greater than period beginning balances, if inventories are less, then zero is applied.
4. Cash dividends includes common stock and preferred shares dividends.
5. Net property, plant, and equipment refers to the gross property, plant, and

equipment minus accumulated depreciation.

Note 6: The issuer shall classify the operating costs and operating expenses as fixed or variable as per their nature. If it involves estimation or subjective judgment, they are classified based on rationality and consistency.

Note 7: Where Corporation shares have no par value or where the par value per share is not NTD 10, any calculations that involve paid-in capital and its ratio shall be replaced with the equity ratio belonging to the owner of the parent Corporation of the asset balance sheet.

III. Supervisors' or Audit Committee's Review Report for the most recent fiscal year's financial statement

New Asia Construction & Development Corp.

Audit Committee's Report

The board of directors has prepared the Corporation's stand-alone and consolidated financial statements for 2021, which were audited by certified public accountants of KPMG, Chung-Che Chen and Shu-Ying Chang. The aforementioned financial statements, along with the business report and deficit off-setting table, have been reviewed and determined to be correct by the audit committee. We hereby submit this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

New Asia Construction & Development Corp. 2022 Annual General Shareholders' Meeting

Convener of the audit Committee: Lee Shah-Rong

March 15, 2022

[Attachment 3] A

Motion of 2021 financial statements

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安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of NEW ASIA CONSTRUCTION& DEVELOPMENT CORP.:

Opinion

We have audited the consolidated financial statements of NEW ASIA CONSTRUCTION& DEVELOPMENT CORP. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (" the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1.Revenue recognition

For the revenue recognition account policy, please refer to Note4(p); for the evaluation of revenue recognition during the years, please refer to Note6(t).

Description of key audit matter:

The main business operation is construction. The Group recognizes the revenue of contracts under construction according to the percentage of completion method, while the degree of the completion is calculated based on the proportion of the incurred contract cost to the estimated total contract revenue as of the financial reporting date or measured by the milestone progress agreed in the contract. The accounting treatment of the construction contract involves judgement of the management. Therefore, the test of revenue recognition is considered as key audit matter.

Corresponding audit procedure:

Our main audit procedures for the above key audit matter include: evaluating the design, operation and implantation of the effectiveness of internal control on revenue recognition; understanding the specific terms and risks of material contracts by examining them and interviewing the management. To make sure the construction price accuracy, we examine the price certificated to owners and verify the related valuation document. Calculating the percentage of completion of the construction; evaluating the foundation of the managements' estimation through reviewing the external document such as the record of dealings with customers. We evaluate the revenue recognition of the completed constructions and consider whether it was already disclosed appropriately.

Other Matter

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate 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 identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chung-Che Chen and Shu-Ying Chang.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(a) and (w))	$ 1,742,598	29	1,466,868	26
1110	Current financial assets at fair value through profit or loss (Note 6(b) and (w))	10,240	-	-	-
1140	Current contract assets (Note 6(t) and 7)	1,802,853	30	1,194,650	21
1170	Notes and accounts receivable, net (Note 6(d), (t) and (w))	22,742	-	120,388	2
1181	Accounts receivable due from related parties (Note 6(t), (w) and 7)	-	-	38,452	-
1200	Other receivables, net (Note 6(w) and 7)	1,290	-	78,222	1
1220	Current income tax assets	99	-	175	-
1410	Prepayments (Note 6(e))	170,045	3	180,043	3
1476	Other current financial assets (Note 6(k), (w) and 8)	681,633	12	1,147,222	19
1479	Other current assets, others	1,124	-	11,575	-
		4,432,624	74	4,237,595	72
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c) and (w))	1,727	-	1,727	-
1550	Investments accounted for using equity method, net (Note 6(f))	319,695	5	415,735	7
1600	Property, plant and equipment (Note 6(h) and 8)	646,176	11	652,031	11
1755	Right-of-use assets (Note 6(i))	40,558	1	40,612	-
1760	Investment property, net (Note 6(j) and 8)	514,546	8	516,612	9
1780	Intangible assets	113	-	203	-
1840	Deferred tax assets (Note 6(q))	53,908	1	55,253	1
1980	Other non-current financial assets (Note 6(k) and (w))	6,864	-	4,331	-
1990	Other non-current assets, others	-	-	5,726	-
		1,583,587	26	1,692,230	28
	Total assets	$ 6,016,211	100	5,929,825	100

	Liabilities and Equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities:				
2100	Short-term borrowings (Note 6(l) and (w))	$ 1,267,997	21	853,466	15
2130	Current contract liabilities (Note 6(t))	169,596	3	414,587	8
2170	Notes and accounts payable (Note 6(w))	2,311,677	38	2,494,652	42
2200	Other payables (Note 6(w))	109,100	2	111,210	2
2250	Current provisions (Note 6(n) and (p))	36,077	1	71,945	1
2280	Current lease liabilities (Note 6(m) and (w))	19,427	-	27,530	-
2300	Other current liabilities (Note 6(w))	237,775	4	187,878	3
		4,151,649	69	4,161,268	71
	Non-Current liabilities:				
2550	Non-current provisions (Note 6(n))	5,306	-	4,544	-
2570	Deferred tax liabilities (Note 6(q))	16,686	-	15,836	-
2580	Non-current lease liabilities (Note 6(m) and (w))	18,978	-	11,757	-
2640	Net defined benefit liability, non-current (Note 6(p))	5,248	-	11,494	-
2645	Guarantee deposits received (Note 6(w))	3,571	-	1,809	-
		49,789	-	45,440	-
	Total liabilities	4,201,438	69	4,206,708	71
	Equity attributable to owners of parent (Note 6(r))				
3100	Capital stock	2,262,785	38	2,262,785	38
3200	Capital surplus	13,156	-	13,156	-
3300	Retained earnings	(375,685)	(6)	(484,471)	(8)
3400	Other equity	(85,483)	(1)	(68,353)	(1)
	Total equity attributable to owners of parent:	1,814,773	31	1,723,117	29
36XX	Non-controlling interests	-	-	-	-
	Total equity	1,814,773	31	1,723,117	29
	Total liabilities and equity	$ 6,016,211	100	5,929,825	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2021		2020	
		Amount	%	Amount	%
4000	**Operating revenue (Note 6(t) and 7)**	$ 8,042,793	100	6,303,705	100
5000	**Operating costs**	(7,843,784)	(98)	(6,977,042)	(111)
5900	**Gross profit (loss) from operations**	199,009	2	(673,337)	(11)
6000	**Operating expenses (Note 6(p) and (12))**	141,171	1	157,336	3
6900	**Net operating loss**	57,838	1	(830,673)	(14)
7000	**Non-operating income and expenses (Note 6(g) and (v)):**				
7100	Interest income	10,871	-	12,420	-
7010	Other income	17,972	-	18,909	-
7020	Other gains and losses	22,641	-	109,989	2
7050	Finance costs	(27,746)	-	(18,628)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	25,154	-	23,549	-
	Total non-operating income and expenses	48,892	-	146,239	2
7900	**Profit (loss) from continuing operations before tax**	106,730	1	(684,434)	(12)
7950	**Less: Tax expenses (Note 6(q))**	1,345	-	20,109	-
8200	**Profit (loss)**	105,385	1	(704,543)	(12)
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequenty to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	4,251	-	(3,562)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	850	-	(712)	-
	Total items that may be reclassified subsequently to profit or loss	3,401	-	(2,850)	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements (Note 6(r))	(17,130)	-	(27,307)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(17,130)	-	(27,307)	-
8300	**Other comprehensive income**	(13,729)	-	(30,157)	-
8500	**Total comprehensive income**	**$ 91,656**	**1**	**(734,700)**	**(12)**
8600	**Profit (loss), attributable to:**				
8610	Owners of parent	$ 105,385	1	(703,401)	(12)
8620	Non-controlling interests	-	-	(1,142)	-
		$ 105,385	**1**	**(704,543)**	**(12)**
8700	**Comprehensive income (loss) attributable to:**				
8710	Owners of parent	$ 91,656	1	(733,559)	(12)
8720	Non-controlling interests	-	-	(1,141)	-
		$ 91,656	**1**	(734,700)	(12)
	(Deficit) basic earnings per share (expressed in New Taiwan Dollars) (Note 6(s))				
9750	**Basic (deficit) earnings per share**	**$**	**0.47**		**(3.11)**
9850	**Diluted (deficit) earnings per share**	**$**	**0.47**		**(3.11)**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Pparent											
	Share Capital	Retained Earnings					Total Other Equity Interest					
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total Other Equity Interest	Total Equity Attributable to Owners of Parent	Non-Controlling Interests	Total Equity
Balance on January 1, 2020	$ 2,262,785	13,156	97,616	172,893	(48,729)	221,780	(22,029)	(19,016)	(41,045)	2,456,676	679	2,457,355
Loss for the year ended December 31, 2020	-	-	-	-	(703,401)	(703,401)	-	-	-	(703,401)	(1,142)	(704,543)
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	(2,850)	(2,850)	(27,308)	-	(27,308)	(30,158)	1	(30,157)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	(706,251)	(706,251)	(27,308)	-	(27,308)	(733,559)	(1,141)	(734,700)
Special reserve	-	-	-	(1,054)	1,054	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	462	462
Balance on December 31, 2020	2,262,785	13,156	97,616	171,839	(753,926)	(484,471)	(49,337)	(19,016)	(68,353)	1,723,117	-	1,723,117
Profit for the year ended December 31, 2021	-	-	-	-	105,385	105,385	-	-	-	105,385	-	105,385
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	3,401	3,401	(17,130)	-	(17,130)	(13,729)	-	(13,729)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	108,786	108,786	(17,130)	-	(17,130)	91,656	-	91,656
Special reserve	-	-	-	(1,054)	1,054	-	-	-	-	-	-	-
Balance on December 31, 2021	**$ 2,262,785**	**13,156**	**97,616**	**170,785**	**(644,086)**	**(375,685)**	**(66,467)**	**(19,016)**	**(85,483)**	**1,814,773**	**-**	**1,814,773**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		2021	2020
Cash flows from operating activities:			
Profit (Loss) before tax	$	106,730	(684,434)
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		49,599	50,310
Amortization expense		90	68
Net gains on financial assets or liabilities at fair value through profit or loss		(1,274)	(799)
Interest expense		27,746	18,628
Interest income		(10,871)	(12,420)
Share of profits of associates and joint ventures accounted for using equity method		(25,154)	(23,549)
Gains on disposal of property, plan and equipment		(1,155)	9,550
Total adjustments to reconcile profit		38,981	41,788
Changes in operating assets and liabilities:			
Contract assets (liabilities)		(853,194)	617,477
Notes and accounts receivable		97,646	45,130
Accounts receivable due from related parties		38,452	(35,866)
Other receivables		76,908	44,700
Inventories		-	335
Prepayments		9,970	24,824
Other current assets		10,451	1,731
Notes and accounts payable		(182,975)	(258,579)
Other payables		(3,368)	(22,757)
Provisions		(35,106)	(53,146)
Other current liabilities		49,901	12,807
Net defined benefit liability		(1,995)	(17,616)
Total changes in operating assets and liabilities		(793,310)	359,040
Total Adjustment		(754,329)	400,828
Cash (outflow) inflow generated from operations		(647,599)	(283,606)
Interest received		10,895	12,515
Dividends received		21,194	16,456
Interest paid		(27,624)	(18,837)
Income taxes refund paid		76	(6,665)
Net cash flows used in generated from operating activities		(643,058)	(280,137)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(31,000)	(13,946)
Proceeds from disposal of financial assets at fair value through profit or loss	22,034	16,736
Proceeds from capital reduction of investments accounted for using equity method	100,000	-
Acquisition of property, plant and equipment	(4,625)	(3,994)
Proceeds from disposal of property, plant and equipment	1,155	2,285
Acquisition of intangible assets	-	(271)
Increase in refundable deposits	(39,945)	(12,791)
Decrease in refundable deposits	25,690	21,223
Increase in other financial assets	(59,544)	(168,748)
Decrease in other financial assets	536,855	679,704
Increase (decrease) in other non-current assets	1,901	(5,726)
Net cash flows from investing activities	552,521	514,472
Cash flows from financing activities:		
Increase in short-term borrowings	1,310,491	1,553,783
Decrease in short-term borrowings	(895,960)	(1,948,871)
Increase (decrease) in guarantee deposits received	1,765	(1,771)
Payment of lease liabilities	(33,510)	(31,996)
Change in non-controlling interests	-	462
Net cash flows from (used in) financing activities	382,786	(428,393)
Effect of exchange rate changes on cash and cash equivalents	(16,519)	(28,532)
Net increase (decrease) in cash and cash equivalents	275,730	(222,590)
Cash and cash equivalents at beginning of period	1,466,868	1,689,458
Cash and cash equivalents at end of period	**$ 1,742,598**	**1,466,868**

See accompanying notes to consolidated financial statements.

(1) Company history

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP. (the " Company") was established on December 4, 1967, with the approval of the Ministry of Economic Affairs, and its registered address is 15F, 16F., NO.760, SEC. 4, Bade RD, Songshan Dist, Taipei, Taiwan. The main business items of the Company and its subsidiaries (the "Group") are construction of heavy equipment needed civil engineering, development business related to land and community, construction, leasing or selling of public housing and office building, repairment, leasing and selling of heavy equipment, manufacturing and selling of ready mixed concrete and asphalt concrete and investment.

(2) Approval date and procedures of the consolidated financial statements:

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on March 15, 2022.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"
- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its 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 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(Continued)

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its 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 " Insurance Contracts"
- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- 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"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments measured at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of defined benefit obligation, limited as explained in Note 4(q).

(Continued)

(ii) Functional and presentation currency

The functional currency of each Group entities is determined based on the primary economic environment in which the entities operate. The Group's consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All the financial information in NTD has been rounded to the nearest thousands.

(c) Basis of consolidation

(i) Principles for preparing consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries.

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements:

			Shareholding		
Investor	Name of Subsidiary	Principal Activity	December 31, 2021	December 31, 2020	Notes
The Company	New Asia Technology Development Company PTE, LTD. (New Asia Technology)	Investing	100.00 %	100.00 %	Holding Company investing to Mainland China
New Asia Technology	Nanton Xin Yue Health Management LTD. (Nanton Xin Yue)	Health Advisory, Health Management and Maternal/Child Nursing	100.00 %	100.00 %	

(Continued)

Investor	Name of Subsidiary	Principal Activity	Shareholding December 31, 2021	Shareholding December 31, 2020	Notes
Nanton Xin Yue	Nanton Xing Qing Food and Beverage Management LTD. (Nanton Xing Qing)	Food and Beverage Management and Service	- %	- %	The cancellation of business registration of Nanton Xing Qing has been completed on November, 2020

(d) Foreign currencies

(i) Foreign currencies transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) An investment in equity securities designated as at fair value through other comprehensive income;

2) A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) Qualifying cash flow hedges to the extent that the hedge is effective.

(ii) Foreign operation

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(Continued)

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issue of equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(Continued)

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(Continued)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivable, leases receivable, guarantee deposit paid and other financial assets), and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

(Continued)

· Significant financial difficulty of the borrower or issuer;

· A breach of contract such as a default or being more than 30 days past due;

· The disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(Continued)

3) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Investments in associates

Associates are those entities in which the Group has significant influence, but no control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, minus any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from the transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interest in associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(Continued)

(i) Joint Arrangements

A joint arrangement is an arrangement in which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics(a) the participants are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 "Joint Arrangements" defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (ie activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. operator) have rights to the assets and are obligated to the liabilities related to the arrangement, The Group accounts for the assets, liabilities, revenues and expenses in relation to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When assessing the classification of a joint arrangement, the Group considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(Continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(1)Buildings	16～56 years
(2)Machinery and equipment	1～10 years
(3)Transportation equipment	3～10 years
(4)Other equipment	3～10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owneroccupied to investment property.

(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) amounts expected to be payable under a residual value guarantee; and

4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

4) there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

5) there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including work station, office facilities and company cars. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor' s net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(m) Intangible assets

(i) Computer softwares

The Group acquire and measure computer softwares at cost, less accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives three or four years of intangible assets from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(Continued)

(n) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Provisions

(i) Warranties and Legal law suits

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and an outflow of economic benefits is possibly required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Warranties provisions are recognized at the year the construction are completed and measured at the related weighted probability according to the historical warranty information and all the possible outcomes.

(ii) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

(Continued)

(p) Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Construction contracts

The Group enters into contracts to build residential properties, commercial buildings and public constructions. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time on the proportion of the cost certificate and payment to the total contract revenue as of the financial reporting date or milestone progress agreed in the contract. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. For some variable considerations (for example, any additional changes related to contracts, a penalty payment calculated based on delay days and price adjustment allowance), accumulated experience is used to estimate the amount of variable consideration, using the expected value method. For other variable considerations (for example, completion bonus if a construction is completed by a specified date), the Group estimates the amount of variable consideration using the most likely amount. Considering the progress of a public construction is highly susceptible to factors outside the Group's control and, therefore, completion bonus is usually constrained, the Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For residential properties, commercial buildings and public constructions, the Group offers a standard warranty to provide assurance that they comply with agreed-upon specifications and has recognized warranty provisions for this obligation; please refer to Note 6(n).

(Continued)

2) Financial components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfill a contract only if those costs meet all of the following criteria:

a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

c) the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfill the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(Continued)

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(Continued)

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off currenttax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Group. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

(Continued)

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Judgment regarding significant influence of associates

The Group has less than 20% of the voting or potential voting rights of Hefa Land Developemnt Corporation. However, the Group has determined that it has significant influence because it has representation on the one-third of board of Hefa Land Developemnt Corporation and can participate in its decision of financial and operation policies according to the agreement.

(b) Classification of joint arrangements

TITAN DEVELOPMENT AND CONSTRUCTION., LTD and DONG PI CO., LTD are structured as separate vehicles, and the collective control exists between the two parties. The Group gave two parties joint control over the rights to the assets and the obligation to the liabilities over the agreement. As the consequence, the Group classified the joint arrangement as joint operation and recognize each assets, liabilities, income and expenses. For more information, Please refer to Note 6(g).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) Recognition and measurement of provisions and contingent liabilities

Provision for warranty is estimated when construction contracted is completed. The estimate has been made based on the , the historical provision information and all kind of possible outcome. The Group regularly reviews the basis of the estimate and, if necessary, amends it as appropriate. There could be a significant impact on provision for warranty for any change in the basis of the estimate.

Provision for unsettled litigation and claims is recognized when it is probable that it will result in an outflow of the Group’s resources and the amount can be reasonably estimated. Since the ultimate resolution of litigation and claims cannot be predicted with certainty, the final outcome or the actual cash outflow may be materially different from the estimated liability.

Refer to Note 6(n) for further description of the key assumptions as to the probability of an outflow of resources and the amount to be recognized.

(Continued)

(b) Recognition of deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires management's subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits that can be utilized and feasible tax planning strategies. Changes in the economic environment, industry trends, and relevant laws and regulations may result in adjustments to the deferred tax assets. Refer to Note 6(r) for further description of the recognition of deferred tax assets.

Evaluation Process

The Group's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Group has established a financial instrument valuation group to conduct independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back-testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value.

The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

(b) Level 2: 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).

(c) Level 3: inputs for the assets or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date.

Please refer to notes listed as below for assumptions used in measuring fair value.

(a) Note 6(j), Investment property

(b) Note 6(w), Financial instruments

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	$ 6,540	7,440
Demand deposits	807,421	524,198
Check deposits	335,715	306,626
Time deposits	592,922	628,604
	$ 1,742,598	**1,466,868**

Please refer to Note 6(w) for sensitivity analysis and interest rate risk of financial assets and liabilities of the Group.

(Continued)

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

	December 31, 2021	December 31, 2020
Financial assets at fir value through profit or loss		
Mega Taiwan Financial and Conventional Fund	$ 10,240	-

(i) For the net gain or loss on fair value of financial instruments at FVIPL, please refer to Note 6(v).

(ii) For credit risk and market, please refer to Note 6(w).

(iii) The aforesaid financial assets were not pledged as collateral.

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

	December 31, 2021	December 31, 2020
Financial assets at fair value through other comprehensive income		
Non-current		
Unlisted common shares	$ 1,727	1,727

(i) Equity investments at fair value through other comprehensive income

The Group intends to hold the equity investment for long-term strategic purposes, rather than transaction purposes. Therefore, the investments are measured at FVOCI.

(ii) For credit risk and market risk, please refer to Note 6(w).

(iii) The aforesaid financial assets were not pledged as collateral.

(d) Note and account receivables

	December 31, 2021	December 31, 2020
Notes receivable from operating activities	$ 101	1,037
Accounts receivables–measured as amortized cost	22,641	119,351
Less: Loss allowance	-	-
	$ 22,742	120,388

Please refer to Note 6(t) for more information about the expected recovery of contract assets based on construction contracts and estimated construction progress on December 31, 2021 and 2020.

(Continued)

The Group's account receivables are mostly from the Government or customers who have signed the contracts with. As a consequence, based on the use of lifetime expected loss provision for all receivables, there is no necessary for the Group to recognize loss allowance from the account receivables that are not overdue.

The aforesaid financial assets were not pledged as collateral.

(e) Prepayments

	December 31, 2021	December 31, 2020
Prepayments for construction in progress	$ 43,960	78,261
Prepayments for materials	38	-
Prepayments for construction all risk insurance	87,240	81,070
Other	38,807	20,712
	$ 170,045	**180,043**

(f) Investments accounted for using equity method

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

	December 31, 2021	December 31, 2020
Associates	**$ 319,695**	**415,735**

(i) Associates

Associates which are material to the Group consisted of the following:

Name of Associate	Nature of Relationship with the Group	Main operating location /Registered Country of Company	Proportion of Shareholding and Voting Rights	
			December 31, 2021	December 31, 2020
Hefa Land Development Corporation	The Group's strategic alliance of contracting construction and its main business item are housing and building development	Taiwan	10 %	10 %

The cash return of $100,000 thousand, which the Group received from Hefa Land Development Corporation in 2021, was rendered as capital reduction through cash returns to shareholders, with the base date set on October 8, 2021. Since the above transaction has significant impact on the Group's financial statements, it was therefore recognized by using the equity method.

The following consolidated financial information of significant associates was been adjusted according to individually prepared IFRS financial statements of these associates.

(Continued)

The financial information on Hefa Land Development Corporation is summarized as follows:

	December 31, 2021	December 31, 2020
Current assets	$ 1,108,461	1,920,107
Non-current assets	2,571,502	2,756,812
Current liabilities	(483,012)	(519,565)
Net assets	**$ 3,196,951**	**4,157,354**
Net assets, attributable to non-controlling interests	**$ -**	**-**
Net assets, attributable to owners of parent	**$ 3,196,951**	**4,157,354**

	For the years ended December 31	
	2021	2020
Operating revenue	**$ 326,006**	**311,200**
Profit from continuing operations	$ 251,540	235,493
Total comprehensive income	**$ 251,540**	**235,493**
Comprehensive income, attributable to non-controlling interests	**$ -**	**-**
Comprehensive income, attributable to owners of parent	**$ 251,540**	**235,493**
Beginning balance of investments accounted for using equity method	$ 415,735	408,642
Capital Reduction, attributable to the Group	(100,000)	-
Comprehensive income, attributable to the Group	25,154	23,549
Dividend received from the associates	(21,194)	(16,456)
Ending balance of investments accounted for using equity method	**$ 319,695**	**415,735**

(ii) Guarantee

The investments accounted for using equity method were not pledged as collateral.

(g) Joint operation

The Group entered into an arrangement, accepting responsibilities of productive costs, and sharing revenue from construction and common expenses proportionally with the companies listed below:

Name of Joint Agreement	Name of The Company	Proportion for each company
New Taipei City Banqiao District Fuzhou Bridge Public Housing new construction	The Group/ Tital Development and Construction, Ltd.	70：30
Taiwan No.9 Line Suhua Highway Zhongren tunnel project	The Group/Don Pi., Ltd	60：40

(Continued)

The Group has no contingent liabilities resulting from the joint arrangement, the other joint operators itself. The Group has no obligation to accept the liabilities from the other joint operators. The joint arrangement of the Group were not pledged as collateral.

(h) Property, plant and equipment

	Land	Buildings and Construction	Machinery and Equipment	Other (Transportation Office and Other Equipment)	Contruction in Progess	Total
Cost or deewed cost:						
Balance on January 1, 2021	$ 415,861	308,313	140,304	209,658	-	1,074,136
Additions	-	-	948	3,677	-	4,625
Disposals	-	-	(906)	(14,834)	-	(15,740)
Transfer from prepaid equipment	-	-	-	3,825	-	3,825
Reclassification to investment property	(1,135)	(188)	-	-	-	(1,323)
Influence from exchange rate	-	(623)	-	(11)	-	(634)
Balance on December 31, 2021	**$ 414,726**	**307,502**	**140,346**	**202,315**	**-**	**1,064,889**
Balance on January 1, 2020	$ 259,161	316,224	141,976	214,320	1,911	933,592
Additions	-	-	2,002	1,992	-	3,994
Disposals	(571)	(9,218)	(3,665)	(6,653)	(1,901)	(22,008)
Reclassification from non-current assets held for sale	157,271	-	-	-	-	157,271
Influence from exchange rate	-	1,307	(9)	(1)	(10)	1,287
Balance on December 31, 2020	**$ 415,861**	**308,313**	**140,304**	**209,658**	**-**	**1,074,136**
Accumulated depreciation and impairment loss:						
Balance on January 1, 2021	$ -	87,265	135,446	199,394	-	422,105
Depreciation	-	5,986	1,958	4,634	-	12,578
Disposals	-	-	(906)	(14,834)	-	(15,740)
Reclassification from non-current assets held for sale	-	(185)	-	-	-	(185)
Influence from exchange rate	-	(39)	-	(6)	-	(45)
Balance on December 31, 2021	**$ -**	**93,027**	**136,498**	**189,188**	**-**	**418,713**
Balance on January 1, 2020	$ -	81,268	134,961	201,461	-	417,690
Depreciation	-	7,449	2,738	4,319	-	14,506
Disposals	-	(1,550)	(2,253)	(6,370)	-	(10,173)
Influence from exchange rate	-	98	-	(16)	-	82
Balance on December 31, 2020	**$ -**	**87,265**	**135,446**	**199,394**	**-**	**422,105**
Carrying Value:						
Balance on December 31, 2021	**$ 414,726**	**214,475**	**3,848**	**13,127**	**-**	**646,176**
Balance on January 1, 2020	**$ 259,161**	**234,956**	**7,015**	**12,859**	**1,911**	**515,902**
Balance on December 31, 2020	**$ 415,861**	**221,048**	**4,858**	**10,264**	**-**	**652,031**

(Continued)

(i) The Impairment testing is required for the Group to evaluate the recoverable amount of the operated assets and investment property on the reporting date, which is calculated based on the fair value less costs of disposal. However, there was no recognition of impairment losses on 2021 and 2020.

(ii) The land located at Longhua Section., Guishan Dist., Taoyuan City failed to meet the criteria as held-for-sale assets as of December 31, 2020. Therefore, the Company reclassified it from non-current assets held-for-sale to property , plant and equipment. The amount is $157,271 thousand.

(iii) The property, plant and equipment of the Group had been pledged as collateral for bank borrowings, please refer to Note 8.

(i) Right-of-use assets

The Group leases many assets including land, building, office equipment and transportation equipment. Information about leases for which the Group as a lessee was presented below:

	Land	Buildings	Offuce Equipment	Transportation Equipment	Total
Costs:					
Balance on January 1, 2021	$ 27,399	33,427	2,458	26,302	89,586
Additions	18,475	3,220	-	13,714	35,409
Disposals	(7,150)	(25,886)	(276)	(7,054)	(40,366)
Balance on December 31, 2021	**$ 38,724**	**10,761**	**2,182**	**32,962**	**84,629**
Balance on January 1, 2020	$ 23,623	41,196	2,458	21,839	89,116
Additions	6,560	9,673	-	5,951	22,184
Disposals	(2,784)	(17,366)	-	(1,488)	(21,638)
Influence from exchange rate	-	(76)	-	-	(76)
Balance on December 31, 2020	**$ 27,399**	**33,427**	**2,458**	**26,302**	**89,586**
Accumulated depreciation and impairment loss					
Balance on January 1, 2021	$ 14,068	18,472	1,317	15,117	48,974
Depreciation	11,403	11,913	654	9,847	33,817
Disposals	(7,150)	(24,265)	(276)	(7,029)	(38,720)
Balance on December 31, 2021	**$ 18,321**	**6,120**	**1,695**	**17,935**	**44,071**
Balance on January 1, 2020	$ 7,330	11,774	647	7,667	27,418
Depreciation	9,522	13,466	670	8,938	32,596
Disposals	(2,784)	(6,758)	-	(1,488)	(11,030)
Influence from exchange rate	-	(10)	-	-	(10)
Balance on December 31, 2020	**$ 14,068**	**18,472**	**1,317**	**15,117**	**48,974**
Carrying value					
Balance on December 31, 2021	**$ 20,403**	**4,641**	**487**	**15,027**	**40,558**
Balance on January 1, 2020	**$ 16,293**	**29,422**	**1,811**	**14,172**	**61,698**
Balance on December 31, 2020	**$ 13,331**	**14,955**	**1,141**	**11,185**	**40,612**

(Continued)

(j) Investment Property

		Land	Building	Total
Cost:				
Balance on January 1, 2021	$	435,207	145,489	580,696
Reclassification from property, plant and equipment		1,135	188	1,323
Balance on December 31, 2021	**$**	**436,342**	**145,677**	**582,019**
Balance on January 1, 2020	**$**	**435,207**	**145,489**	**580,696**
Balance on December 31, 2020	**$**	**435,207**	**145,489**	**580,696**
Accumulated depreciation and impairment losses:				
Balance on January 1, 2021	$	-	64,084	64,084
Depreciation		-	3,204	3,204
Reclassification from property, plant and equipment		-	185	185
Balance on December 31, 2021	**$**	**-**	**67,473**	**67,473**
Balance on January 1, 2020	$	-	60,876	60,876
Depreciation		-	3,208	3,208
Balance on December 31, 2020	**$**	**-**	**64,084**	**64,084**
Carrying amounts:				
Balance on December 31, 2021	**$**	**436,342**	**78,204**	**514,546**
Balance on December 31, 2020	**$**	**435,207**	**81,405**	**516,612**
Balance on January 1, 2020	**$**	**435,207**	**84,613**	**519,820**
Fair value:				
Balance on December 31, 2021				**$ 804,300**
Balance on December 31, 2020				**$ 771,505**
Balance on January 1, 2020				**$ 809,838**

(i) The investment properties are business property leased to others. The lease contracts include original non-cancellable lease term which are one to ficel years. The subsequent lease terms are negotiated with the lessee and the contingent rent payment will not be charged, please refer to Note 6(o) for related information.

(ii) The fair value of investment properties (as measured or disclosed in the financial statements) was based on a valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued. The inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3.

(Continued)

(iii) Fair value was measured using the market approach. The yield method under the income approach would have been used if there was no active market for the investment properties. The range of yields applied to the net annual rentals used to determine the fair value of properties on 2021 and 2020 was as follows.

Location	2021	2020
Taipei City	1.31%~1.94%	1.50%~1.78%

(iv) The evaluation for the impairment loss of the investment properties, please refer to Note 6(h).

(v) The investment property of the Group had been pledged as collateral for bank borrowings, please refer to Note 8.

(k) Other current financial assets and other non-current financial assets

	December 31, 2021	December 31, 2020
Current:		
Restricted assets	$ 595,427	1,072,738
Refundable deposits	86,206	74,484
	$ 681,633	**1,147,222**
Non-current:		
Refundable deposits	**$ 6,864**	**4,331**

The other current financial assets of the Group had pledged as collateral, please refer to Note 8.

(l) Short-term borrowings

The short-term borrowing were summarized as follows:

	December 31, 2021	December 31, 2020
Unsecured bank loans	$ 30,000	-
Secured bank loans	1,237,997	853,466
Total	**$ 1,267,997**	**853,466**
Unused credit limit	**$ 2,984,116**	**3,377,087**
Interest rate range	**1.34%~1.72%**	**1.34%~1.70%**

(i) Borrowing and repayment

The Group obtained the amounts of $1,310,490 thousand and $1,553,783 thousand from short-term borrowings, as well as the amounts of $895,959 thousand and $1,948,871 thousand from repayments, for the years ended December 31, 2021 and 2020, respectively.

(ii) Collateral for bank borrowings

The Group had pledged as the collateral for bank borrowings, please refer to note 8.

(Continued)

(m) Lease liabilities

The carrying amount of lease liabilities were as follows:

	December 31, 2021	December 31, 2020
Current	$ 19,427	27,530
Non-current	$ 18,978	11,757

For maturity analysis, please refer to Note 6(w).

The amounts recognized in profit or loss were as follows:

	For the year ended December 31	
	2021	2020
Interest on lease liabilities	$ 722	1,027
Expenses relating to short-term leases	$ 3,064	1,864

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the year ended December 31	
	2021	2020
Total cash outflow for leases	$ 37,296	34,887

(i) Real estate leases

As of December 31, 2021, the Group leases land, buildings, for its office space. The leases of office space typically run for a period of 2 to 4 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Part of equipment leases contain extension or cancellation options exercisable by the Group up to one year before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which leasee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Group leases vehicles and equipment, with general lease terms of three years.

Besides, some leases terms shorter than 12 months are short-term items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(Continued)

(n) Provisions

	Warranties	Legal	Onerous Contracts	Total
Balance on January 1, 2021	$ 29,859	26	26,801	56,686
Provision made during the year	5,279	-	-	5,279
Provision used during the year	(5,766)	-	(26,801)	(32,567)
Provision reversed during the year	(6,243)	-	-	(6,243)
Balance on December 31, 2021	**$ 23,129**	**26**	**-**	**23,155**
Balance on January 1, 2020	$ 30,614	7,457	70,514	108,585
Provision made during the year	4,517	-	-	4,517
Provision used during the year	(2,123)	-	(43,713)	(45,836)
Provision reversed during the year	(3,149)	(7,431)	-	(10,580)
Balance on December 31, 2020	**$ 29,859**	**26**	**26,801**	**56,686**

	December 31, 2021	December 31, 2020
Current	$ 17,849	52,142
Non-current	5,306	4,544
	$ 23,155	**56,686**

(i) Please refer to Note 6(p) for the short-term employee's paid leave liabilities.

(ii) Warranties

The provision for warranties are mainly related to construction contracts for the years ended December 31, 2021 and 2020. The provision is based on estimates made from historical warranty data associated with each kind of construction. The Group expects to settle the majority of the liability within one to five years after the construction was completed.

(iii) Onerous contract

As of December 31, 2021, because the contract cost exceeds the expected contract revenue, each construction recognize provision in response to the related construction cost, which is presented as follows:

	December 31, 2021	December 31, 2020
C287	$ -	9,752
C289	-	17,049
	$ -	**26,801**

(Continued)

(o) Operating lease

Please refer to Note 6(k) for details of the investment property leased by the Group under on operating lease. The minimum lease payments receivable in future during the non-cancellable lease term are as follows:

	December 31, 2021	December 31, 2020
Within one year	$ 19,320	19,328
Between one and five years	32,088	49,088
	$ 51,408	**68,416**

The rental income from investment property for the years ended December 31, 2021 and 2020, are $17,972 thousands and $18,878 thousands, respectively. In addiotion, there were no material maintenance expense.

(p) Employee benefits

(i) Defined benefit plan

Reconciliation of defined benefit obligations at present value and plan asset at fair value were as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	$ 99,780	151,904
Fair value of plan assets	(94,532)	140,410
Net defined benefit liabilities	**$ 5,248**	**11,494**

The Group's employee benefit liabilities were as follows:

	December 31, 2021	December 31, 2020
Short-term employee benefits liabilities	**$ 18,228**	**19,803**

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

(Continued)

The Group' s Bank of Taiwan labor pension reserve account balance amounted to $94,532 thousand as of December 31, 2021. For information on the utilization the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Fund, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the years ended December 31, 2021 and 2020 are as follows:

	For the Years Ended December 31	
	2021	2020
Defined benefit obligations at January 1	$ 151,904	182,223
Current service costs and interest cost	2,301	4,096
Remeasurements of the net defined benefit liabilities		
—Actuarial gains arising from experience adjustments	594	5,576
—Actuarial gains from changes in demographic assumptions	54	-
—Actuarial gains from changes in financial assumption	(2,662)	3,803
Benefits paid by the plan	(52,411)	(28,452)
Effect of plan settlement	-	(15,342)
Defined benefit obligation at December 31	**$ 99,780**	**151,904**

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the years ended December 31, 2021 and 2020 are as follows:

	For the Years Ended December 31	
	2021	2020
Fair value of plan assets at January 1	$ 140,410	156,675
Interest revenue	329	1,009
Remeasurements of the net defined benefit liabilities		
—Return on plan assets (not including current interest cost)	2,237	5,816
Contributed amount	3,967	5,362
Benefits paid by the plan	(52,411)	(28,452)
Fair value of plan assets at December 31	**$ 94,532**	**140,410**

(Continued)

4) Expenses recognized in profit or loss

The Group's pension expenses recognized in profit or loss for the years ended December 31, 2021 and 2020 are as follows:

	For the Years Ended December 31	
	2021	2020
Current service costs	$ 1,950	2,453
Interest expense	351	1,152
Net interest of net liabilities for defined benefit obligations	(329)	(1,009)
	$ 1,972	**2,596**
Operating costs	$ 1,897	2,468
Administrative expenses	75	128
	$ 1,972	**2,596**

5) Remeasurement of the net defined benefit liabilities recognized in other comprehensive income

The Group's net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2021 and 2020 are as follows:

	For the Years Ended December 31	
	2021	2020
Cumulative amount at January 1	$ 12,615	16,177
Recognized during the period	(4,251)	(3,562)
Cumulative amount at December 31	**$ 8,364**	**12,615**

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	For the Years Ended December 31	
	2021	2020
Discount rate	0.65 %	0.25 %
Future salary increase rate	1.00 %	1.00 %

Based on the actuarial report, the Group is expected to make a contribution payment of $3,688 thousand to the defined benefit plans for the one year period after the reporting date of 2021.

The weighted-average duration of the defined benefit plan is 6 years.

(Continued)

7) Sensitivity Analysis

As of December 31, 2021 and 2020, the changes in the principal actuarial assumptions that will have impact on the present value of the defined benefit obligation are as follows:

	Impact on Present Value of Defined Benefit Obligations	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2021		
Discount rate	$ (1,626)	1,671
Future salary increase rate	1,663	(1,627)
December 31, 2020		
Discount rate	(2,280)	2,343
Future salary increase rate	2,322	(2,271)

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in defined benefit obligations as some of the variables may be correlated in the actual situation. The model used in the sensitivity analysis is the same as the defined benefit obligation liability.

The analysis is performed based on the same basis for prior year.

(ii) Defined contribution plan

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The Group's pension costs in curred from the contribution to the Bureau of Labor Insurance amounted to $22,431 thousand and $22,123 thousand for the years ended December 31, 2021 and 2020, respectively.

(Continued)

(q) Income tax

(i) Tax expense

The Group of income tax for the years ended December 31, 2021 and 2020 are as follows:

	For the Years Ended December 31	
	2021	2020
Current income tax expense		
Current period incurred	$ -	-
Adjustment for prior periods	-	6,694
	-	6,694
Deferred tax expense (income)		
The origination and reversal of temporary differences	1,345	13,415
	1,345	13,415
Income tax expense	**$ 1,345**	**20,109**

The amount of income tax recognized in other comprehensive income for the years ended December 31, 2021 and 2020 are as follows:

	For the Years Ended December 31	
	2021	2020
Items that may not be reclassified subsequently to profit or loss:		
Remeasurements of the defined benefit plans	**$ 850**	**(712)**

Reconciliation of income tax and profit before tax for the years ended December 31, 2021 and 2020 are as followed:

	For the Years Ended December 31	
	2021	2020
Profit (loss) before income tax	$ 106,730	(684,434)
Income tax expense at domestic statutory tax rate	21,346	(136,887)
Investment losses accounted for using equity method	(7,852)	(4,710)
Current-year losses for which no deferred tax asset was recognized	30,763	157,911
Prior understatement income tax	-	6,694
Change in unrecognized temporary difference	(42,703)	(2,181)
Others	(209)	(718)
Income tax expense	**$ 1,345**	**20,109**

(Continued)

(ii) Deferred tax assets and liabilities recognized

1) Unrecognized deferred tax assets

	December 31, 2021	December 31, 2020
Impairment loss of financial assets	$ 1,048	2,422
Unrealized construction losses	42,953	84,266
The carryfoward of unused losses	294,410	358,899
Total	**$ 338,411**	**445,587**

The ROC Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purpose. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2021, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax loss	Expiry year
2016	$ 249,509	2026
2017	648,720	2027
2018	96,710	2028
2020	323,296	2030
2021	153,817	2031
	$ 1,472,052	

2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2021 and 2020 are as follows:

Deferred tax assets:

	Warranties Provisions	Unrealized Construction Losses	Unused tax Losses	Others	Total
Balance on January 1, 2021	$ 5,972	40,158	8,981	142	55,253
Recognized in profit (loss)	(1,345)	-	-	-	(1,345)
Balance on December 31, 2021	**$ 4,627**	**40,158**	**8,981**	**142**	**53,908**
Balance on January 1, 2020	$ 6,123	40,158	8,981	13,406	68,668
Recognized in profit (loss)	(151)	-	-	(13,264)	(13,415)
Balance on December 31, 2020	**$ 5,972**	**40,158**	**8,981**	**142**	**55,253**

(Continued)

Deferred tax liabilities:

	Defined Benefit Plans	Provisions for Land Value Increment Tax	Total
Balance on January 1, 2021	$ 2,523	13,313	15,836
Recognized in other comprehensive income	850	-	850
Balance on December 31, 2021	**$ 3,373**	**13,313**	**16,686**
Balance on January 1, 2020	$ 3,235	13,313	16,548
Recognized in other comprehensive income	(712)	-	(712)
Balance on December 31, 2020	**$ 2,523**	**13,313**	**15,836**

(iii) The Company's income tax returns have been assessed and approved by the Tax Authority through 2019.

(r) Capital and other equity

(i) Ordinary shares

As of December 31, 2021 and 2020, the authorized capital of Company consisted of $3,920,000 thousand, with par value of $10 per share, and the number of issued shares is $226,279 thousands share. The payment of all issued shares has been collected.

The reconciliation of the outstanding shares for the years ended December 31, 2021 and 2020 were as follows:

(In thousands of shares)

	For the Years Ended December 31	
	2021	2020
December 31 (the same as beginning balance)	**226,279**	**226,279**

(ii) Capital surplus

The components of the capital surplus are as follows:

	December 31, 2021	December 31, 2020
Treasury share transactions	**$ 13,156**	**13,156**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(Continued)

(iii) Retained earnings

The Company's Article of Incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes or salary. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors to be submitted to the stockholders' meeting for approval.

The Company is in the mature stage of the Construction Industry business circle. To make sure the market competitiveness, the Company still have to consistently invest capital to expand the operation activities and search for the new opportunity of the corporate transformation. The stability and growth of the dividend should be focused when the Boards of Directors proposes the distribution plan and determining the appropriate method of stock or cash dividends to be paid according to the current year's operation condition and the capital budget planning. After the above appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide on this matter. The cash dividends shall not be below 20% of the total dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

The Company applied the exemptions at the first-time adoption of IFRS, and increased its retained earnings by $286,775 thousand, which resulted from the fair value of investment property being used as the cost on initial recognitions at the transition date. In accordance with the Financial Supervisory Commission, a special reverse, which amounted to $180,637 thousand is appropriated from current and prior period earnings. The aforementioned special reserve may be reversed in proportion with the usage, disposal, or reclassification of the related assets, and then, be distributed afterwards. As of December 31, 2021 and 2020, the Company recognized the special reserve related to all IFRSs adjustments amounted to $170,785 thousand and $171,839 thousand. When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' eauity shall qualify for additional distributions.

3) Earnings distribution

There is no need for the Company to distribute the earnings of 2020 and 2019 on the resolutions decided during the shareholders' meetings held on Auguest, 27, 2021 and June, 19, 2020, respectively, because of the accumulated losses.

(Continued)

(iv) Other equity items (net of tax)

	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at FVOCI	Total
Balance on January 1, 2021	$ (49,337)	(19,016)	(68,353)
Exchange differences on foreign operation	(17,130)	-	(17,130)
Balance on December 31, 2021	**$ (66,467)**	**(19,016)**	**(85,483)**
Balance on January 1, 2020	$ (22,029)	(19,016)	(41,045)
Exchange differences on foreign operation	(27,308)	-	(27,308)
Balance on December 31, 2020	**$ (49,337)**	**(19,016)**	**(68,353)**

(s) Earnings per share

The Group's earnings per shares are calculated as follows:

	For the years ended December 31	
	2021	2020
(i) Basic earnings per share		
Profit (loss) attributable to ordinary shareholders of the Company	**$ 105,386**	**(703,401)**
Weighted average number of ordinary shares	**$ 226,279**	**226,279**
Profit (loss) attributable to basic earnings per share of the Company	**$ 0.47**	**(3.11)**
(ii) Diluted earnings per share		
Profit (loss) attributable to ordinary shareholders of the Company(diluted)	**$ 105,386**	**(703,401)**
Weighted average number of ordinary shares(diluted)	**226,279**	**226,279**
Profit (loss) attributable to basic earnings per share of the Company(diluted)	**$ 0.47**	**(3.11)**

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Years Ended December 31	
	2021	2020
Type of Contract:		
Construction Contract-Government	$ 7,982,272	5,816,160
Construction Contract-Non-Government	57,070	482,912
Other	3,451	4,633
	$ 8,042,793	**6,303,705**

(Continued)

(ii) Contract balances

		December 31, 2021	December 31, 2020	January 1, 2020
Note accounts receivable	$	22,742	120,388	165,518
Accounts receivable due from related parties		-	38,452	2,586
Total	**$**	**22,742**	**158,840**	**168,104**
Contract assets-Building Construction	$	751,997	504,720	810,130
Contract assets-Civil Engineering		1,050,856	689,930	1,254,096
Total	**$**	**1,802,853**	**1,194,650**	**2,064,226**
Contract liabilities-Building Construction	$	169,596	316,161	459,438
Contract liabilities-Civil Engineering		-	98,426	207,248
Total	**$**	**169,596**	**414,587**	**666,686**

The contract assets mentioned above include the retention, which is 5% to 10% deducted from the bills to make sure the construction progress. For the years ended December 31, 2021 and 2020, the retrieved condition of estimated retention according to the construction contract and estimated construction progress are as follows:

Estimated Retrieved Year		December 31, 2021	December 31, 2020
Less than one year	$	360,288	403,926
More than one year		513,451	353,022
	$	**873,739**	**756,948**

Please refer to Note 6(d) for the details on accounts receivable and allowance for impairment.

Please refer to Note 6(n) for the disclosures of the onerous contracts.

The major change in the balance of contract assets and liabilities is the difference between the time the performance obligation are satisfied and the payment from customers is received, which are measured by the changing degree of completion of construction.

(u) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 5% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

(Continued)

For the years ended December 31, 2021 and 2020, the Company estimated its employee remuneration amounting to $0, respectively, and directors' remuneration amounting to $0, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2021 and 2020. Management is expecting the differences, if any, between the actual distributed amounts and estimated amounts will be treated as changes in accounting estimates and charged to profit or loss.

There were no significant difference between employees' s compensation and remuneration of directors approved by the Board of Directors meeting and the estimated amount for the years of 2020.

(v) Non-operating income and expense

(i) Interest income

The details of interest income are as follows:

	For the Years Ended December 31	
	2021	2020
Interest income from bank deposits	$ 10,738	11,390
Other interest income	133	1,030
	$ 10,871	**12,420**

(ii) Other income

The details of other income are as follows:

	For the Years Ended December 31	
	2021	2020
Rental revenue	**$ 17,972**	**18,909**

(iii) Other gains and losses

The details of other gains and losses are as follows:

	For the Years Ended December 31	
	2021	2020
Gains (Losses) on disposals of property, plant and equipment	$ 1,155	(7,647)
Gains on disposals of intangible assets	1,274	799
Lease Benofit Modification	1,135	1,732
Foreign exchange losses	7,342	16,473
Other income	14,898	107,982
Other losses	(3,163)	(9,350)
	$ 22,641	**109,989**

(Continued)

(iv) Finance costs

The details of finance cost of the Group are as follows:

	For the Years Ended December 31	
	2021	2020
Interest expense		
Bank borrowing	$ 17,410	18,151
Other	10,336	477
	$ 27,746	**18,628**

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represent the maximum amount exposed to credit risk.

2) Concentration of credit risk

Since the Group's clients are concentrated on owner that are construction industry and public-construction government, the Group have to consistently evaluate the clients' financial condition and ask them to provide guarantee or warranty if necessary. The company still evaluate the possibility of accounts receivable recovery and recognize loss allowance provision on a regular basis. The 99% of accounts receivable belonging to a client may result in a concentration of credit risk for the years ended December 31, 2021 and 2020.

3) Credit risks of receivables

For information of credit risk exposure of note and account receivables, please refer to Noe 6(d).

(ii) Liquidity risk

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

	Carrying amount	Contractual Cash Flows	Within 1 year	1-3 years	Over 3 years
December 31, 2021					
Non-derivative financial liabilities					
Secured bank loans	$ 1,237,997	1,242,163	1,242,163	-	-
Unsecured bank loans	30,000	30,033	30,033	-	-
Notes and accounts payable	2,311,677	2,311,677	1,930,628	309,175	71,874
Other payables	109,100	109,100	109,100	-	-
Lease liabilities	38,405	38,405	19,427	17,319	1,659
Other current liabilities - construction guarantee deposit received	203,389	203,389	39,789	138,646	24,954
Guarantee deposit received - non current	3,571	3,571	-	2,350	1,221
	$ 3,934,139	**3,938,338**	**3,371,140**	**467,490**	**99,708**

(Continued)

	Carrying amount	Contractual Cash Flows	Within 1 year	1-3 years	Over 3 years
December 31, 2020					
Non-derivative financial liabilities					
Secured bank loans	$ 853,466	858,651	698,310	160,341	-
Notes and accounts payable	2,494,652	2,494,652	2,225,525	80,869	188,258
Other payables	111,210	111,210	111,210	-	-
Lease liabilities	39,287	39,726	28,058	11,668	-
Other current liabilities - construction guarantee deposit received	181,452	181,452	52,214	121,486	7,752
Guarantee deposit received - non current	1,809	1,809	-	-	1,809
	$ 3,681,876	**3,687,500**	**3,115,317**	**374,364**	**197,819**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure of foreign currency risk

The Group's significant exposures to foreign currency risk is as follows:

	December 31, 2021			December 31, 2020		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
CNY:USD	$ 88,447	0.1569	384,212	86,849	0.1537	380,137
USD:NTD	-	27.680	-	1,120	28.480	31,893
SGD:USD	9	1.3529	335	17	1.3210	635
USD:CNY	-	6.3720	-	-	6.5067	-

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD, CNY and SGD as of December 31, 2021 and 2020 would have increased (decreased) the after-tax net income for the years ended December 31, 2021 and 2020 by $3,076 thousand and $3,301 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange are summarized as a single amount. For the years ended December 31, 2021 and 2020, the foreign exchange gains (losses), including both realized and unrealized, amounted to $7,342 thousand and $16,473 thousand, respectively.

(Continued)

(iv) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in the note of liquidity risk management.

The following sensitivity analysis is based on the risk exposure to interest rates risk of non-derivate financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throught the year. The rate of change is expressed as the interest rate increase or decreases by 0.25% when reporting to management internally, which also represent the Group management' s assessment of the reasonably possible interest rate change.

If the interest rate increases/decreases by 0.25%, the Group' s net income will decrease/increase by $2,536 thousand and $1,707 thousand for the years ended December 31, 2021 and 2020, respectively, with all other variable factors remain constant. This is mainly due to the Group's borrowing at variable rate.

(v) Other market price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows, assuming the analysis were based on the same basis, other variables considered in the analysis remain the same:

	For the Years Ended December 31			
	2021		2020	
Price of securities at the reporting date	Other comprehensive Income (net of tax)	Net Income	Other comprehensive Income (net of tax)	Net Income (Loss)
Increase 10%	$ 138	819	138	-
Decrease 10%	$ (138)	(819)	(138)	-

(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets at fair value through porfit or loss and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy are as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

(Continued)

	December 31, 2021				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss	$ 10,240	10,240	-	-	10,240
Financial assets at fair value through other comprehensive income					
Unlisted common shares	$ 1,727	-	-	1,727	1,727
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,742,598	-	-	-	-
Notes and accounts receivable	22,742	-	-	-	-
Other receivables	1,290	-	-	-	-
Subtotal	$ 1,766,630	-	-	-	-
Total	**$ 1,778,597**	**10,240**	**-**	**1,727**	**11,967**
Financial liabilities at amortized cost					
Bank loans	$ 1,267,997	-	-	-	-
Notes and accounts payable	2,311,677	-	-	-	-
Other payables	109,100	-	-	-	-
Lease liabilities	38,405	-	-	-	-
Other non-current liabilities – guarantee Deposit received	202,984	-	-	-	-
Non-current guarantee deposit received -non -current	3,571	-	-	-	-
Total	**$ 3,933,734**	**-**	**-**	**-**	**-**

	December 31, 2020				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unlisted common shares	$ 1,727	-	-	1,727	1,727
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,466,868	-	-	-	-
Notes and accounts receivable	158,840	-	-	-	-
Other receivables	78,222	-	-	-	-
Guarantee deposit paid	78,815	-	-	-	-
Restricted asset	1,072,738	-	-	-	-
Subtotal	$ 2,855,483	-	-	-	-
Total	**$ 2,857,210**	**-**	**-**	**1,727**	**1,727**

(Continued)

	December 31, 2020				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Bank loans	$ 853,466	-	-	-	-
Notes and accounts payable	2,494,652	-	-	-	-
Other payables	$ 111,210	-	-	-	-
Lease liabilities	39,287	-	-	-	-
Other non-current liabilities – guarantee Deposit received	181,452	-	-	-	-
Non-current guarantee deposit received -non -current	1,809	-	-	-	-
Total	**$ 3,681,876**	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

Financial instruments traded in active markets are based on quoted market prices. Market prices quoted from exchanges and over- the-counter are the basis of fair value of equity instruments and credit instrument traded in active markets.

Except for the financial instruments held by the Group have active market, other financial instruments' fair value are decided on the basis of general pricing model, which is analyzed by the discounted cash flows.

There have been no transfers from each level for the years ended December 31, 2021 and 2020.

(x) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

1) Credit risk

2) Lliquidity risk

3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosure about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the management framwork.

(Continued)

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

1) Account and other receivable

The Group established a credit policy to obtain the necessary collateral to mitigate risks arising from financial loss due to default risk. The Group will transact with corporations having credit ratings equivalent to investment grade, and such ratings are provided by independent rating agencies. Where it is not possible to obtain such information, the Group will assess the ratings based on other publicly available financial information and records of transactions with its major customers. The Group continuously monitors the exposure to credit risk and counterparty credit ratings, and establish sales limits based on credit rating for each of its approved customer. The credit limits for each counterparty are approved and reviewed annually by the Risk Management Committee.

The Group did not have any collateral or other credit enhancements to avoid credit risk of financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries and construction. On December 31, 2021 and 2020, no other guarantees were outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

(Continued)

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Eash market risk management information is as follows:

1) Interest rate risk

The Group adopts a policy of ensuring that interest rates on borrowings is on a variable-rate basis. Considering the lower market rate, the Group did not sign the any interest rate swap contract. The interest rate swap contract can be adopted to lower the risk if the interest rate is raising.

2) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Group does not actively trade in these investments. The Group assigned a specific team to supervise and assess the equity price risk so as to avoid or minimize the risk from the hedging position.

(y) Capital management

The objectives of the Board' s policy are to maintain an optimal capital structure to keep the investors, creditors, the market faith, and the future operation. The capital is consist of the Group's capital stock, retained earnings and net liabilities. The Board of Directors is in charge of return on capital as well as monitoring the level of common stock's dividend. The debt-to- capital ratio an the end of the reporting period as of December 31, 2021, is as follows:

	December 31, 2021	December 31, 2020
Total liabilities	$ 4,201,438	4,206,708
Less: cash and cash equivalents	(1,742,598)	(1,466,868)
Net debt	2,458,840	2,739,840
Total equity	1,814,773	1,723,117
Adjusted capital	**$ 4,273,613**	**4,462,957**
Debt to equity ratio	**57.54%**	**61.39%**

(Continued)

(7) Related-party transactions:

(a) The ultimate parent company

The Company is both the parent company the ultimate contralling party of the Group.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of Related Party	Relationship with the Group
Hefa Land Development Corporation	Associates
Dong Pi Co., LTD Corporation	Joint operators
Titan Development and Construction., LTD. Corporation	〃

(c) Significant transactions with related parties

(i) Sales to related parties

The amounts of significant sales by the Group to related parties are as follows:

		For the Years Ended December 31, 2021			
	Nature	Total contract amount	Valuated amount	Current valuated amount	Income recognition int the current period
Associates-Hefa Land Development	Construction contract	$ 3,417,351	3,317,955	29,925	29,925

		For the Years Ended December 31, 2020			
	Nature	Total contract amount	Valuated amount	Current valuated amount	Income recognition int the current period
Associates-Hefa Land Development	Construction contract	$ 3,417,351	3,288,030	317,781	317,781

1) The construction contracted by the Group to the affiliate is the contract price after the reasonable management fee and profit are added in accordance with the project budget, following the outsourcing operation regulations of the construction project of the affiliated company, and submitted to the supervisor for approval through price comparison and negotiation procedures.

2) For the years ended December 31, 2021 and 2020, the gross profit rates of the construction contracted by the Group with the non-affiliated are about (12.69)%～5.96%, respectively and (13.76)%～6.22% and the gross profit rates with the affiliated company are about 2.02% and 1.71% respectively.

(Continued)

(ii) Receivables from Affiliates and Contract Assets

Details of receivables from affiliates and contract assets of the Group are as follows:

Accounting items	Category of affiliates	December 31, 2021	December 31, 2020
Contract assets	Associates-Hefa Land Development Corporation	$ 31,831	151,708
Account receivables	Associates-Hefa Land Development Corporation	$ -	38,452
Other receivable	Associates-Hefa Land Development Corporation	$ -	53
〃	Joint operators-Dong Pi Co., LTD. Corporation	-	21
〃	Joint operators-Titan Development and Construction., LTD. Corporation	-	7,851
		$ -	7,925

(iii) Other

For the years ended December 31, 2021 and 2020, the guarantee notes payables are billed amounted to $49,370 and $312,600 thousand for the Group to contract construction outsourcing operation from the affiliated company.

(d) Key management transactions

The compensation of key management is as follows:

	For the Years Ended December 31	
	2021	2020
Short-term employee benefits	$ 26,502	27,097
Post-employment benefits	333	324
	$ 26,835	27,421

(8) Pledged assets:

The information on pledged assets carrying values is as follows:

Pledged assets	Object	December 31, 2021	December 31, 2020
Other current financial assets (pledge deposit and reserve account)	Short-term borrowings, construction contract bond, advance payment, material purchasing and construction guarantees	$ 595,427	1,072,738
Property, plant and equipment, net	Short-term borrowings, material purchasing and construction guarantees	321,277	325,543
Investment property, net	Short-term borrowings	483,700	485,451
		$ 1,400,404	1,883,732

(Continued)

(9) Commitments and contingencies:

(a) Contract price signed with clients are as follows:

	December 31, 2021	December 31, 2020
Amount of signed contracts (before tax)	$ 46,268,874	35,914,414
Received amount from contracts	$ 18,084,423	15,934,906

(b) For the years ended December 31, 2021 and 2020, the unused standby letters of credit for purchasing raw material are $24,199 thousand and $43,506 thousand.

(c) For the years ended December 31, 2021 and 2020, the unrecognized contractual commitment from construction contracts which are signed for materials in order to build construction contracted.

	December 31, 2021	December 31, 2020
Total contract price (before tax)	$ 1,070,389	1,181,532
Total amount paid under contructs (recognized as prepayments)	$ 43,960	113,743

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

(a) Employee benefits, depreciation, and amortization, are summarized as follows:

By funtion / By item	For the Years Ended December 31					
	2021			2020		
	Operating Costs	Operating Expense	Total	Operating Costs	Operating Expense	Total
Employee benefits						
Salary	442,966	57,367	500,333	444,326	63,907	508,233
Labor and health insurance	46,347	4,103	50,450	42,659	3,694	46,353
Pension	22,161	2,242	24,403	22,502	2,217	24,719
Remuneration of directors	-	5,422	5,422	-	3,941	3,941
Others	1,574	4,286	5,860	1,561	3,326	4,887
Depreciation	28,585	17,810	46,395	26,405	20,697	47,102
Depletion	-	-	-	-	-	-
Amortization	-	90	90	-	68	68

Note: Depreciation of investment properties, recognized as other gains and losses under non-operating incomes and expenses are $3,204 thousand and $3,208 thousand for the years ended December 31, 2021 and 2020.

(Continued)

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions on December 31, 2021, required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of NTD)

Name of Holder	Category and Name of Security	Relationship with Issued Company	Account	Ending Balance				Highest Percentage of Ownership (%)	Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value		
The Company	Zu Yuan Industries Co., LTD	-	Non-current financial assets at fair value through other comprehensive income	1,391,465	1,727	11.28 %	1,727	11.28 %	
The Company	Mega Taiwan Financial and Conventional	-	current financial assets at fair value through profit or loss	1,000,000	10,240	- %	10,240	- %	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(v) Information on the acquisition of real estate with amount exceeding NT$300 million or 20% of the capital stock: None

(vi) Information on the disposal of real estate with amount exceeding NT$300 million or 20% of the capital stock: None

(vii) Information regarding related-party transactions for purchases and sales with amounts exceeding NT$300 million or 20% of the capital stock: None

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions: None

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2021 (excluding information on investees in Mainland China):

(In Thousands of NTD)

Name of Investor	Name of Investee	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2021			Highest Percentage of Ownership	Net Income (Losses) of Investee	Share of Profits/Losses of Investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value				
The Company	New Asia Technology Development Company PTD. LTD.	Singapore	Investing	259,271	259,271	10,500	100.00 %	701,294	100.00 %	14,108	14,108	Note
〃	Hefa Land Development Corporation	Taiwan	Development and Lease of housings, buildings and plants	278,320	378,320	27,832	10.00 %	319,693	10.00 %	251,540	25,154	

Note: The transactions above have been written in consolidated financial statements.

(Continued)

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of Investee	Main Businesses	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Losses) of the Investee	Percentage of Ownership	Highest Percentage of Ownership	Investment Income (Losses)	Book Value	Accumu-lated Remittance of Earnings in Current Period
					Outflow	Inflow							
Nanton Xin Yue Health Management LTD.	Health Advisory and Health Management	166,080 (USD6,000)	(Note 1)	166,080 (USD6,000)	-	-	166,080 (USD6,000)	(1,052) (USD(38))	100.00%	100.00%	(1,052) (USD(38))	135,770 (USD4,905)	-

Note 1: Investing Mainland China Company through the third region (Note 4(b)).

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
166,080 (USD 6,000)	403,436 (USD 14,575)	1,088,864

Note 1: The original investment amount USD8,575 thousand in Nanton Xing Limited in Mainland China had transformed to counterparty in August, 2016 and it was cancelled through the amended Permit 10500255770 by the Investment Commission, MOEA on November 4, 2016. Therefore the amount mentioned above was not included in accumulated investment in Mainland China.

Note 2: Except for the ‘Investment or technical cooperation review principal in China’, which amended by Investment Amount Authorized by the Investment Commission on August 29, 2008. the upper limit on investment is the higher value of sixty percent of the net value of the Company or the Group.

(iii) Significant transactions: None

(Continued)

(14) Segment information:

(a) General information

The Group only has one reportable segments in 2021: the construction segment, whose main goal is to offer public housing and office buildings, as well as contracting of engineering construction. Information on departmental assets、departmental liabilities and departmental profit and loss in 2021 was consistent with that of the financial statements; please refer to the consolidated balance sheets and statements of comprehensive income.

(b) Information about reportable segments and their measurement and reconciliations

In 2020, the Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in Note 4 "significant accounting policies" except for the recognition and measurement of pension cost, which is on a cash basis.

The Group treated intersegment sales and transfers as third-party transactions. They are measured at market price.

The Group's operating segment information and reconciliation are as follows:

For the Year Ended December 31, 2020	Construction Segment	Other Segment	Adjustment and Write-off	Total
Revenue:				
Revenues from external customers	$ 6,299,072	4,633	-	6,303,705
Reportable segment profit or less	$ (683,292)	6,764	(7,906)	(684,434)

Note: The amount of assets and liabilities of the Group's reportable segments was not provided to the management. It is not required for disclosure.

(c) Product and service information

The Group belongs to single industry type, so it is not necessary to disclose the product and service information.

(Continued)

(d) Geographic information:

The revenues from external customers are categorized by the geographical location of customers and the non-current assets are categorized based on the region of where the assets are located:

Geographical information	For the Years Ended December 31 2021	2020
Revenue from external customers:		
Taiwan	$ 8,039,342	6,299,072
Asia	3,451	4,633
	$ 8,042,793	**6,303,705**
Non-current assets:		
Taiwan	$ 1,445,820	1,553,011
Asia	75,268	77,908
	$ 1,521,088	**1,630,919**

Non-current assets include property, plant and equipment, right-of-use assets, investment property, intangible property and other assets. Financial instruments, deferred tax assets and defined benefit assets are not inclusive.

(e) Major customers:

	For the Years Ended December 31 2021	2020
A customer of construction segment	$ 2,116,325	1,280,576
B customer of construction segment	963,134	827,987
C customer of construction segment	913,483	691,464
D customer of construction segment	745,101	674,369
E customer of construction segment	676,891	489,681
F customer of construction segment	362,752	474,860
	$ 5,777,686	**4,438,937**

[Attachment 3] B

Motion of 2021 financial statements

安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of NEW ASIA CONSTRUCTION& DEVELOPMENT CORP.:

Opinion

We have audited the financial statements of NEW ASIA CONSTRUCTION& DEVELOPMENT CORP.("the Company"), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

1.**Revenue recognition**

For the revenue recognition account policy, please refer to Note 4(p); for the evaluation of revenue recognition during the years, please refer to Note 6(t).

Description of key audit matter:

The main business operation is construction. The Company recognizes the revenue of contracts under construction according to the percentage of completion method, while the degree of the completion is calculated based on the proportion of the cost certificate and payment to the total contract revenue as of the financial reporting date or measured by the milestone progress agreed in the contract. The accounting treatment of the construction contract involves judgement of the management. Therefore, the test of revenue recognition is considered as the key audit matter.

Corresponding audit procedure:

Our main audit procedures for the above key audit matter include: evaluating the design, operation and implement of the effectiveness of internal control on revenue recognition; understanding the specific terms and risks of material contracts by examining them and interviewing the management. To make sure the construction price accuracy, we examine the price certificated to owners and verify the related valuation document. Calculating the percentage of completion of the construction; evaluating the foundation of the managements' estimation through reviewing the external document such as the record of dealings with customers. We evaluate the revenue recognition of the completed constructions and consider whether it was already disclosed appropriately.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company' s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the invested company adopting the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate 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 identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chung-Che Chen and Shu-Ying Chang.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2022

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the 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 financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a) and (w))	$ 1,119,208	19	843,365	14
1110	Current financial assets at fair value through profit or loss (Note 6(b) and (w))	10,240	-	-	-
1140	Current contract assets (Note 6(t) and 7)	1,802,853	30	1,194,650	21
1170	Notes and accounts receivable, net (Note 6(d), (t) and (w))	22,742	-	120,388	2
1181	Accounts receivable due from related parties (Note 6(t), (w) and 7)	-	-	38,452	-
1200	Other receivables, net (Note 6(w) and 7)	1,290	-	78,221	1
1220	Current income tax assets	99	-	175	-
1410	Prepayments (Note 6(e))	166,360	3	176,091	3
1476	Other current financial assets (Note 6(k), (w) and 8)	681,633	11	1,147,222	19
1479	Other current assets, others	1,124	-	11,575	-
		3,805,549	63	3,610,139	60
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c) and (w))	1,727	-	1,727	-
1550	Investments accounted for using equity method, net (Note 6(f))	1,020,989	17	1,120,052	19
1600	Property, plant and equipment (Note 6(h) and 8)	570,908	9	574,123	10
1755	Right-of-use assets (Note 6(i))	40,558	1	40,612	1
1760	Investment property, net (Note 6(j) and 8)	514,546	9	516,612	9
1780	Intangible assets	113	-	203	-
1840	Deferred tax assets (Note 6(q))	53,908	1	55,253	1
1980	Other non-current financial assets (Note 6(k) and (w))	6,864	-	4,331	-
1990	Other non-current assets, others	-	-	5,726	-
		2,209,613	37	2,318,639	40
	Total assets	**$ 6,015,162**	**100**	**5,928,778**	**100**

		December 31, 2021		December 31, 2020	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(l) and (w))	$ 1,267,997	21	853,466	15
2130	Current contract liabilities (Note 6(t))	169,596	3	414,587	8
2170	Notes and accounts payable (Note 6(w))	2,311,677	38	2,494,652	42
2200	Other payables (Note 6(w))	108,811	2	111,125	2
2250	Current provisions (Note 6(n) and (p))	36,077	1	71,945	1
2280	Current lease liabilities (Note 6(m) and (w))	19,427	-	27,530	-
2300	Other current liabilities (Note 6(w))	237,015	4	186,916	3
		4,150,600	69	4,160,221	71
	Non-Current liabilities:				
2550	Non-current provisions (Note 6(n))	5,306	-	4,544	-
2570	Deferred tax liabilities (Note 6(q))	16,686	-	15,836	-
2580	Non-current lease liabilities (Note 6(m) and (w))	18,978	-	11,757	-
2640	Net defined benefit liability, non-current (Note 6(p))	5,248	-	11,494	-
2645	Guarantee deposits received (Note 6(w))	3,571	-	1,809	-
		49,789	-	45,440	-
	Total liabilities	4,200,389	69	4,205,661	71
	Equity attributable to owners of parent (Note 6(r))				
3100	Capital stock	2,262,785	38	2,262,785	38
3200	Capital surplus	13,156	-	13,156	-
3300	Retained earnings	(375,685)	(6)	(484,471)	(8)
3400	Other equity	(85,483)	(1)	(68,353)	(1)
	Total equity	1,814,773	31	1,723,117	29
	Total liabilities and equity	**$ 6,015,162**	**100**	**5,928,778**	**100**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2021		2020	
		Amount	%	Amount	%
4000	**Operating revenue (Note 6(t) and 7)**	$ 8,039,342	100	6,299,072	100
5000	**Operating costs**	(7,842,873)	(98)	(6,973,955)	(111)
5900	**Gross profit (loss) from operations**	196,469	2	(674,883)	(11)
6000	**Operating expenses (Note 6(p) and 12)**	134,478	1	140,704	2
6900	**Net operating loss**	61,991	1	(815,587)	(13)
7000	**Non-operating income and expenses (Note 6(f) and (v)):**				
7100	Interest income	596	-	2,174	-
7010	Other income	17,972	-	18,909	-
7020	Other gains and losses	14,655	-	99,440	2
7050	Finance costs	(27,746)	-	(18,541)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net	39,262	-	30,313	-
	Total non-operating income and expenses	44,739	-	132,295	2
7900	**Profit (loss) from continuing operations before tax**	106,730	1	(683,292)	(11)
7950	**Less: Tax expenses (Note 6(q))**	1,345	-	20,109	-
8200	**Net profit (loss)**	105,385	1	(703,401)	(11)
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequenty to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	4,251	-	(3,562)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	850	-	(712)	-
	Total items that may be reclassified subsequently to profit or loss	3,401	-	(2,850)	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements **(Note 6(r))**	(17,130)	-	(27,308)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(17,130)	-	(27,308)	-
8300	**Other comprehensive income**	(13,729)	-	(30,158)	-
8500	**Total comprehensive income**	**$ 91,656**	**1**	**(733,559)**	**(11)**
	(Deficit) basic earnings per share (expressed in New Taiwan Dollars) (Note 6(s))				
9750	**Basic (deficit) earnings per share**	**$**	**0.47**		**(3.11)**
9850	**Diluted (deficit) earnings per share**	**$**	**0.47**		**(3.11)**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Share Capital	Retained Earnings				Other Equity			
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total Other Equity Interest	Total Equity
Balance on January 1, 2020	$ 2,262,785	13,156	97,616	172,893	(48,729)	221,780	(22,029)	(19,016)	(41,045)	2,456,676
Loss for the year ended December 31, 2020	-	-	-	-	(703,401)	(703,401)	-	-	-	(703,401)
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	(2,850)	(2,850)	(27,308)	-	(27,308)	(30,158)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	(706,251)	(706,251)	(27,308)	-	(27,308)	(733,559)
Special reserve	-	-	-	(1,054)	1,054	-	-	-	-	-
Balance on December 31, 2020	2,262,785	13,156	97,616	171,839	(753,926)	(484,471)	(49,337)	(19,016)	(68,353)	1,723,117
Profit for the year ended December 31, 2021	-	-	-	-	105,385	105,385	-	-	-	105,385
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	3,401	3,401	(17,130)	-	(17,130)	(13,729)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	108,786	108,786	(17,130)	-	(17,130)	91,656
Special reserve	-	-	-	(1,054)	1,054	-	-	-	-	-
Balance on December 31, 2021	**$ 2,262,785**	**13,156**	**97,616**	**170,785**	**(644,086)**	**(375,685)**	**(66,467)**	**(19,016)**	**(85,483)**	**1,814,773**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
(Loss) profit before tax	$ 106,730	(683,292)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	47,548	45,269
Amortization expense	90	68
Net gains on financial assets or liabilities at fair value through profit or loss	(1,274)	(799)
Interest expense	27,746	18,541
Interest income	(596)	(2,174)
Share of profits of associates and joint ventures accounted for using equity method	(39,262)	(30,313)
Gains on disposal of property, plant and equipment	(1,155)	(1,432)
Total adjustments to reconcile profit	33,097	29,160
Changes in operating assets and liabilities:		
Contract assets (liabilities)	(853,194)	617,477
Notes and account receivables, net	97,646	45,130
Accounts receivable due from related parties	38,452	(35,866)
Other receivables	76,907	43,523
Prepayments	9,731	22,045
Other current assets	10,451	1,753
Notes and accounts payables	(182,975)	(258,408)
Other payables	(3,569)	(20,829)
Provisions	(35,106)	(53,146)
Other current liabilities	50,099	12,099
Net defined benefit liability	(1,995)	(17,616)
Total changes in operating assets and liabilities	(793,553)	356,162
Total adjustments	(760,456)	385,322
Cash (outflow) inflow generated from operations	(653,726)	(297,970)
Interest received	620	2,268
Dividends received	21,194	16,456
Interest paid	(27,624)	(18,750)
Income taxes refund paid	76	(6,665)
Net cash flows used in generated from operating activities	(659,460)	(304,661)

(English Translation of Financial Statements Originally Issued in Chinese)

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP.

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(31,000)	(13,946)
Proceeds from disposal of financial assets at fair value through profit or loss	22,034	16,736
Proceeds from capital reduction of investments accounted for using equity method	100,000	-
Acquisition of property, plant and equipment	(4,625)	(3,994)
Proceeds from disposal of property, plant and equipment	1,155	2,285
Acquisition of intangible assets	-	(271)
Increase in refundable deposits	(39,946)	(12,791)
Decrease in refundable deposits	25,690	21,223
Increase in other financial assets	(59,544)	(168,748)
Decrease in other financial assets	536,855	679,704
Increase (decrease) in other non-current assets	1,901	(5,726)
Net cash flows from investing activities	552,520	514,472
Cash flows from financing activities:		
Increase in short-term borrowings	1,310,491	1,553,783
Decrease in short-term borrowings	(895,960)	(1,948,871)
Increase (decrease) in guarantee deposits received	1,762	(1,762)
Payment of lease liabilities	(33,510)	(31,399)
Net cash flows from (used in) financing activities	382,783	(428,249)
Net decrease in cash and cash equivalents	275,843	(218,438)
Cash and cash equivalents at beginning of period	843,365	1,061,803
Cash and cash equivalents at end of period	**$ 1,119,208**	**843,365**

See accompanying notes to financial statements.

(1) Company history

NEW ASIA CONSTRUCTION& DEVELOPMENT CORP. (the " Company") was established on December 4, 1967, with the approval of the Ministry of Economic Affairs, and its registered address is 15F, 16F., NO.760, SEC. 4, Bade RD, Songshan Dist, Taipei, Taiwan. The main business items of the Company are construction of heavy equipment needed civil engineering, development business related to land and community, construction, leasing or selling of public housing and office building, repairment, leasing and selling of heavy equipment, manufacturing and selling of ready mixed concrete and asphalt concrete.

(2) Approval date and procedures of the financial statements:

The accompanying financial statements were authorized for issue by the Board of Directors on March 15, 2022.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2021:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"
- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its 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 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(Continued)

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its 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 " Insurance Contracts"
- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- 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"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

The financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on the historical cost basis:

1) Financial instruments measured at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of defined benefit obligation, limited as explained in Note 4(q).

(ii) Functional and presentation currency

The functional currency of each Company entities is determined based on the primary economic environment in which the entities operate. The Company's financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All the financial information presented in NTD has been rounded to the nearest thousands.

(Continued)

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) An investment in equity securities designated as at fair value through other comprehensive income;

2) A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) Qualifying cash flow hedges to the extent that the hedge is effective.

(ii) Foreign operation

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(Continued)

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are derecognized on a trade date basis.

(Continued)

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

   A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

   · it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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

   These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

   On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

   Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

   Dividend income is recognized in profit or loss on the date on which the Company’s right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

   All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

   These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(Continued)

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivable, leases receivable, guarantee deposit paid and other financial assets), and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company' s historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

· A breach of contract such as a default or being more than 30 days past due;

(Continued)

·The disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(Continued)

3) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Investments in associates

Associates are those entities in which the Company has significant influence, but no control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, minus any accumulated impairment losses.

The financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from the transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interest in associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(Continued)

(h) Subsidiaries

The subsidiaries in which the Company holds controlling interes are accounted for under equity method in the non-consolidated financial statements. Under equity method, the net income, other comprehensive income and equity in the non-consolidated financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in ownership of the subsidiaries are recognised as equity transaction.

(i) Joint Arrangements

A joint arrangement is an arrangement in which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics(a) the participants are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 " Joint Arrangements" defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (ie activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operator) have rights to the assets and are obligated for the liabilities, relating to the arrangement. The Company accounts for the assets, liabilities, revenues and expenses in relation to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When assessing the classification of a joint arrangement, the Company considers the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, other facts and circumstances.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(Continued)

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(1)Buildings	16～56 years
(2)Machinery and equipment	1～10 years
(3)Transportation equipment	3～6 years
(4)Other equipment	3～10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owneroccupied to investment property.

(l) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(Continued)

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) amounts expected to be payable under a residual value guarantee; and

4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

4) there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

5) there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

(Continued)

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including work station, office facilities and company cars. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor' s net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(m) Intangible assets

(i) Computer software

The Company acquires and measures computer software at cost, less accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(Continued)

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives three or four years of intangible assets from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Provisions

(i) Warranties and Legal lawsuits

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and an outflow of economic benefits is possibly required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(Continued)

Warranties provisions are recognized at the year the construction is completed and measured at the related weighted probability according to the historical warranty information and all the possible outcomes

(ii) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(p) Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company' s main types of revenue are explained below.

1) Construction contracts

The Company enters into contracts to build residential properties, commercial buildings and public constructions. Because its customer controls the asset as it is constructed, the Company recognizes revenue over time on the proportion of the cost certificate and payment to the total contract revenue as of the financial reporting date or milestone progress agreed in the contract. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. For some variable considerations (for example, any additional changes related to contracts, a penalty payment calculated based on delay days and price adjustment allowance), accumulated experience is used to estimate the amount of variable consideration, using the expected value method. For other variable considerations (for example, completion bonus if a construction is completed by a specified date), the Company estimates the amount of variable consideration using the most likely amount. Considering the progress of a public construction is highly susceptible to factors outside the Company's control and, therefore, completion bonus is usually constrained, the Company recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Company has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

If the Company cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Company shall recognize revenue only to the extent of the costs expected to be recovered.

(Continued)

A provision for onerous contracts is recognized when the Company expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For residential properties, commercial buildings and public constructions, the Company offers a standard warranty to provide assurance that they comply with agreed-upon specifications and has recognized warranty provisions for this obligation; please refer to Note 6(n).

2) Financial components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfill a contract only if those costs meet all of the following criteria:

a) the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;

b) the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

c) the costs are expected to be recovered.

(Continued)

General and administrative costs, costs of wasted materials, labor or other resources to fulfill the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(Continued)

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off currenttax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

(s) Earnings per share

The Company discloses its basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(t) Operating segments

The related information on the operating segments is disclosed in the consolidated financial statement.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing the financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

(a) Judgment regarding significant influence of associates

The Company has less than 20% of the voting or potential voting rights of Hefa Land Development Corporation. However, the Company has determined that it has significant influence because it has representation on one-third of Board of Hefa Land Development Corporation, and can participate in its decision of financial and operation policies according to the agreement.

(b) Classification of joint arrangements

Titan Development And Construction., Ltd and Dong Pi Co., Ltd are structured as separate entities, and the collective control exists between the two parties. The Company gave two parties joint control over the rights to the assets and the obligation to the liabilities over the agreement. As the consequence, the Company classified the joint arrangement as joint operation and recognized each assets, liabilities, income and expenses. For more information, please refer to Note 6(g).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(Continued)

(a) Recognition and measurement of provisions and contingent liabilities

Provision for warranty is estimated when construction contracted is completed. The estimate has been made based on the historical provision information and all kind of possible outcome. The Company regularly reviews the basis of the estimate and, if necessary, amends it as appropriate. There could be a significant impact on provision for warranty for any change in the basis of the estimate.

Provision for unsettled litigation and claims is recognized when it is probable that it will result in an outflow of the Company's resources and the amount can be reasonably estimated. Since the ultimate resolution of litigation and claims cannot be predicted with certainty, the final outcome or the actual cash outflow may be materially different from the estimated liability.

Refer to Note 6(n) for further description of the key assumptions as to the probability of an outflow of resources and the amount to be recognized.

(b) Recognition of deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires management's subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits that can be utilized and feasible tax planning strategies. Changes in the economic environment, industry trends, and relevant laws and regulations may result in adjustments to the deferred tax assets. Refer to Note 6(q) for further description of the recognition of deferred tax assets.

Evaluation Process

The Company's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Company has established a financial instrument valuation group to conduct independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back-testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value.

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

(b) Level 2: 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).

(c) Level 3: inputs for the assets or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date.

Please refer to notes listed as below for assumptions used in measuring fair value.

(Continued)

(a) Note 6(j) , Investment property

(b) Note 6(w), Financial instruments

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	$ 6,540	7,440
Demand deposits	776,953	500,523
Check deposits	335,715	306,626
Time deposits	-	28,776
Cash and cash equivalents	**$ 1,119,208**	**843,365**

Please refer to Note 6(w) for sensitivity analysis and interest rate risk of financial assets and liabilities of the Company.

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

	December 31, 2021	December 31, 2020
Financial assets at fir value through profit or loss		
Mega Taiwan Financial and Conventional Fund	**$ 10,240**	**-**

(i) For the net gain or loss on fair value of financial instruments at FVTPL, please refer to note 6(w) .

(ii) For credit risk and market, please refer to Note 6(x).

(iii) The aforesaid financial assets were not pledged as collateral.

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

	December 31, 2021	December 31, 2020
Equity investments at fair value through other comprehensive income		
Non-current		
Unlisted common shares	**$ 1,727**	**1,727**

(i) Equity investments at fair value through other comprehensive income

The Company intends to hold the equity investments for long-term strategic purposes, rather than transaction purposes. Therefore, the investments are measured at FVOCI.

(Continued)

(ii) For market risk, please refer to Note 6(x).

(iii) The aforesaid financial assets were not pledged as collateral.

(d) Note and account receivables

	December 31, 2021	December 31, 2020
Notes receivable from operating activities	$ 101	1,037
Accounts receivables–measured as amortized cost	22,641	119,351
Less: Loss allowance	-	-
	$ 22,742	**120,388**

Please refer to Note 6(t) for more information about the expected recovery of contract assets based on construction contracts and estimated construction progress on December 31, 2021 and 2020.

The Company's account receivables are mostly from the Government or customers who have signed the contracts with. As a consequence, based on the use of lifetime expected loss provision for all receivables, there is no need for the Company to recognize loss allowance from the account receivables that are not overdue.

The aforesaid financial assets were not pledged as collateral.

(e) Prepayments

	December 31, 2021	December 31, 2020
Prepayments for construction in progress	$ 43,960	78,261
Prepayments for materials	38	-
Prepayments for construction all risk insurance	87,240	81,070
Other	35,122	16,760
	$ 166,360	**176,091**

(f) Investments accounted for using equity method

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

	December 31, 2021	December 31, 2020
Subsidiaries	$ 701,294	704,317
Associates	319,695	415,735
	$ 1,020,989	**1,120,052**

(i) Subsidiaries

Please refer to the consolidated financial statement for the year ended December 31, 2021.

(Continued)

(ii) Associates

Associates which are material to the Company consisted of the following:

Name of Associate	Nature of Relationship with the Company	Main operating location/ Registered Country of the Company	Proportion of Shareholding and Voting Rights	
			December 31, 2021	December 31, 2020
Hefa Land Development Corporation	The Company's strategic alliance of contracting construction and its main business item are housing and building development	Taiwan	10 %	10 %

The cash return of $100,000 thousand, which the Company received from Hefa Land Development Corporation in 2021, was rendered as capital reduction through cash returns to shareholders, with the base date set on October 8, 2021. Since the above transaction has significant impact on the Company's financial statements, it was therefore recognized by using the equity method.

The following financial information of significant associates was been adjusted according to individually prepared IFRS financial statements of these associates:

The financial information on Hefa Land Development Corporation is summarized as follows:

	December 31, 2021	December 31, 2020
Current assets	$ 1,108,461	1,920,107
Non-current assets	2,571,502	2,756,812
Current liabilities	(483,012)	(519,565)
Net assets	3,196,951	4,157,354
Net assets, attributable to non-controlling interests	**$ -**	-
Net assets, attributable to owners of parent	**$ 3,196,951**	**4,157,354**

	For the years ended December 31	
	2021	2020
Operating revenue	$ 326,006	311,200
Profit from continuing operations	251,540	235,493
Total comprehensive income	**$ 251,540**	**235,493**
Comprehensive income, attributable to non-controlling interests	**$ -**	-
Comprehensive income, attributable to owners of parent	**$ 251,540**	**235,493**

(Continued)

	For the years ended December 31	
	2021	2020
Beginning balance of investments accounted for using equity method	$ 415,735	408,642
Capital Reduction, attributable to the Company	(100,000)	-
Comprehensive income, attributable to the Company	25,154	23,549
Dividend received from the associates	(21,194)	(16,456)
Ending balance of investments accounted for using equity method	**$ 319,695**	**415,735**

(iii) Guarantee

The investments accounted for using equity method were not pledged as collateral.

(g) Joint operation

The Company entered into an arrangement, accepting responsibilities of productive costs, and sharing revenue from construction and common expenses proportionally with the companies listed below:

Name of Joint Agreement	Name of The Company	Proportion for each company
New Taipei City Banqiao District Fuzhou Bridge Public Housing new construction	The Company/ Tital Development and Construction, Ltd.	70：30
Taiwan No.9 Line Suhua Highway Zhongren tunnel project	The Company/Don Pi., Ltd	60：40

The Company has no contingent liabilities resulting from the joint arrangement, the other joint operators itself. The Company has no obligation to accept the liabilities from the other joint operators. The joint arrangement of the Company was not pledged as collateral.

(h) Property, plant and equipment

	Land	Buildings and Construction	Machinery and Equipment	Transportation Equipment	Other Equipment	Total
Cost or deemed cost:						
Balance on January 1, 2021	$ 415,861	225,772	140,304	107,313	101,204	990,454
Additions	-	-	948	3,077	600	4,625
Disposals	-	-	(906)	(12,193)	(2,641)	(15,740)
Transfer from prepaid equipment	-	-	-	3,825	-	3,825
Reclassification to Investment property	(1,135)	(188)	-	-	-	(1,323)
Balance on December 31, 2021	**$ 414,726**	**225,584**	**140,346**	**102,022**	**99,163**	**981,841**
Balance on January 1, 2020	$ 259,161	225,772	140,378	110,250	102,928	838,489
Additions	-	-	2,002	1,992	-	3,994
Disposals	(571)	-	(2,076)	(4,929)	(1,724)	(9,300)
Reclassification from non-current assets held for sale	157,271	-	-	-	-	157,271
Balance on December 31, 2020	**$ 415,861**	**225,772**	**140,304**	**107,313**	**101,204**	**990,454**

(Continued)

	Land	Buildings and Construction	Machinery and Equipment	Transportation Equipment	Other Equipment	Total
Accumulated depreciation and impairment loss:						
Balance on January 1, 2021	$ -	81,918	135,447	98,450	100,516	416,331
Depreciation	-	4,042	1,958	4,015	512	10,527
Disposals	-	-	(906)	(12,193)	(2,641)	(15,740)
Reclassification to investment property	-	(185)	-	-	-	(185)
Balance on December 31, 2021	**$ -**	**85,775**	**136,499**	**90,272**	**98,387**	**410,933**
Balance on January 1, 2020	$ -	77,870	134,949	99,543	101,591	413,953
Depreciation	-	4,048	2,574	3,554	649	10,825
Disposals	-	-	(2,076)	(4,647)	(1,724)	(8,447)
Balance on December 31, 2020	**$ -**	**81,918**	**135,447**	**98,450**	**100,516**	**416,331**
Carrying Value:						
Balance on December 31, 2021	**$ 414,726**	**139,809**	**3,847**	**11,750**	**776**	**570,908**
Balance on December 31, 2020	**$ 415,861**	**143,854**	**4,857**	**8,863**	**688**	**574,123**
Balance on January 1, 2020	**$ 259,161**	**147,902**	**5,429**	**10,707**	**1,337**	**424,536**

(i) The impairment testing is required for the Company to evaluate the recoverable amount of the operated assets and investment property on the reporting date, which is calculated based on the fair value less costs of disposal. However, there was no recognition of impairment losses in 2021 and 2020.

(ii) The land located at Longhua Section., Guishan Dist., Taoyuan City failed to meet the criteria as held-for-sale assets as of December 31, 2020. Therefore, the Company reclassified it from non-current assets held-for-sale to property , plant and equipment. The amount is $157,271 thousand.

(iii) The property, plant and equipment of the Company had been pledged as collateral for the Company loan and financing guarantee, please refer to Note 8.

(i) Right-of-use assets

The Company leases many assets including land, building, office equipment and transportation equipment. Information about leases for which the Company as a lessee was presented below:

	Land	Buildings	Offuce Equipment	Transportation Equipment	Total
Costs:					
Balance on January 1, 2021	$ 27,399	33,427	2,458	26,302	89,586
Additions	18,475	3,220	-	13,714	35,409
Disposals	(7,150)	(25,886)	(276)	(7,054)	(40,366)
Balance on December 31, 2021	**$ 38,724**	**10,761**	**2,182**	**32,962**	**84,629**
Balance on January 1, 2020	$ 23,623	27,248	2,458	21,839	75,168
Additions	6,560	9,673	-	5,951	22,184
Disposals	(2,784)	(3,494)	-	(1,488)	(7,766)
Balance on December 31, 2020	**$ 27,399**	**33,427**	**2,458**	**26,302**	**89,586**

(Continued)

	Land	Buildings	Offuce Equipment	Transportation Equipment	Total
Accumulated depreciation and impairment loss					
Balance on January 1, 2021	$ 14,068	18,472	1,317	15,117	48,974
Depreciation	11,403	11,913	654	9,847	33,817
Disposals	(7,150)	(24,265)	(276)	(7,029)	(38,720)
Balance on December 31, 2021	**$ 18,321**	**6,120**	**1,695**	**17,935**	**44,071**
Balance on January 1, 2020	$ 7,330	9,860	647	7,667	25,504
Depreciation	9,522	12,106	670	8,938	31,236
Disposals	(2,784)	(3,494)	-	(1,488)	(7,766)
Balance on December 31, 2020	**$ 14,068**	**18,472**	**1,317**	**15,117**	**48,974**
Carrying value					
Balance on December 31, 2021	**$ 20,403**	**4,641**	**487**	**15,027**	**40,558**
Balance on December 31, 2020	**$ 13,331**	**14,955**	**1,141**	**11,185**	**40,612**
Balance on January 1, 2020	**$ 16,293**	**17,388**	**1,811**	**14,172**	**49,664**

(j) Investment Property

	Land	Building	Total
Cost:			
Balance on January 1, 2021	$ 435,207	145,489	580,696
Reclassification from property, plant and equipment	1,135	188	1,323
Balance on December 31, 2021	**$ 436,342**	**145,677**	**582,019**
Balance on January 1, 2020	**$ 435,207**	**145,489**	**580,696**
Balance on December 31, 2020	**$ 435,207**	**145,489**	**580,696**
Accumulated depreciation and impairment losses:			
Balance on January 1, 2021	$ -	64,084	64,084
Depreciation	-	3,204	3,204
Reclassification from property, plant and equipment	-	185	185
Balance on December 31, 2021	**$ -**	**67,473**	**67,473**
Balance on January 1, 2020	$ -	60,876	60,876
Depreciation	-	3,208	3,208
Balance on December 31, 2020	**$ -**	**64,084**	**64,084**

(Continued)

	Land	Building	Total
Carrying amounts:			
Balance on December 31, 2021	$ 436,342	78,204	514,546
Balance on December 31, 2020	$ 435,207	81,405	516,612
Balance on January 1, 2020	$ 435,207	84,613	519,820
Fair value:			
Balance on December 31, 2021			$ 804,300
Balance on December 31, 2020			$ 771,505
Balance on January 1, 2020			$ 809,838

(i) The investment properties are business property leased to others. The lease contracts include original non-cancellable lease terms which are one to five years. The subsequent lease terms are negotiated with the lessee and the contingent rent payment will not be charged, please refer to Note 6(o) for related information.

(ii) The fair value of investment properties (as measured or disclosed in the financial statements) was based on a valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued. The inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3.

(iii) Fair value was measured using the market approach. The yield method under the income approach would have been used if there was no active market for the investment properties. The range of yields applied to the net annual rentals used to determine the fair value of properties in 2021 and 2020 was as follows.

Location	2021	2020
Taipei City	1.31%~1.94%	1.50%~1.78%

(iv) The evaluation for the impairment loss of the investment properties, please refer to Note 6(h).

(v) The investment property of the Company had been pledged as collateral, please refer to Note 8.

(k) Other current financial assets and other non-current financial assets

	December 31, 2021	December 31, 2020
Current:		
Restricted assets	$ 595,427	1,072,738
Refundable deposits	86,206	74,484
	$ 681,633	1,147,222
Non-current:		
Refundable deposits	$ 6,864	4,331

The other current financial assets of the Company had pledged as collateral, please refer to Note 8.

(Continued)

(l) Short-term borrowings

The short-term borrowing were summarized as follows:

	December 31, 2021	December 31, 2020
Unsecured bank loans	$ 30,000	-
Secured bank loans	1,237,997	853,466
Total	**$ 1,267,997**	**853,466**
Unused credit limit	**$ 2,984,116**	**3,377,087**
Interest rate range	**1.34%~1.72%**	**1.34%~1.70%**

(i) Borrowing and repayment

The Company obtained the amounts of $1,310,490 thousand and $1,553,783 thousand from short-term borrowings, as well as the amounts of $895,959 thousand and $1,948,871 thousand from repayments, for the years ended December 31, 2021 and 2020, respectively.

(ii) Collateral for bank borrowings

The Company had pledged as the collateral for short-term borrowings, please refer to note 8.

(m) Lease liabilities

The carrying amount of lease liabilities were as follows:

	December 31, 2021	December 31, 2020
Current	**$ 19,427**	**27,530**
Non-current	**$ 18,978**	**11,757**

For maturity analysis, please refer to Note 6(w).

The amounts recognized in profit or loss were as follows:

	For the year ended December 31	
	2021	2020
Interest on lease liabilities	**$ 722**	**941**
Expenses relating to short-term leases	**$ 3,064**	**1,864**

The amounts recognized in the statement of cash flows for the Company were as follows:

	For the year ended December 31	
	2021	2020
Total cash outflow for leases	**$ 37,296**	**34,204**

(Continued)

(i) Real estate leases

As of December 31, 2021, the Company leases land, buildings, for its office space. The leases of office space typically run for a period of 2 to 4 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Part of equipment leases contain extension or cancellation options exercisable by the Company up to one year before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which lessor is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Company leases vehicles and equipment, with general lease terms of three years.

Besides, some lease terms shorter than 12 months are short-term items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(n) Provisions

	Warranties	Legal	Onerous Contracts	Total
Balance on January 1, 2021	$ 29,859	26	26,801	56,686
Provision made during the year	5,279	-	-	5,279
Provision used during the year	(5,766)	-	(26,801)	(32,567)
Provision reversed during the year	(6,243)	-	-	(6,243)
Balance on December 31, 2021	**$ 23,129**	**26**	**-**	**23,155**
Balance on January 1, 2020	$ 30,614	7,457	70,514	108,585
Provision made during the year	4,517	-	-	4,517
Provision used during the year	(2,123)	-	(43,713)	(45,836)
Provision reversed during the year	(3,149)	(7,431)	-	(10,580)
Balance on December 31, 2020	**$ 29,859**	**26**	**26,801**	**56,686**

	December 31, 2021	December 31, 2020
Current	$ 17,849	52,142
Non-current	5,306	4,544
	$ 23,155	**56,686**

(i) Please refer to Note 6(p) for the short-term employees' paid leave liabilities.

(Continued)

(ii) Warranties

The provision for warranties is mainly related to construction contracts for the years ended December 31, 2021 and 2020. The provision is based on estimates made from historical warranty data associated with each kind of construction. The Company expects to settle the majority of the liability within one to five years after the construction was completed.

(iii) Onerous contract

As of December 31, 2021, because the contract cost exceeds the expected contract revenue, each construction recognizes provision in response to the related construction cost, which is presented as follows:

	December 31, 2021	December 31, 2020
C287	$ -	9,752
C294	-	17,049
	$ -	**26,801**

(o) Operating lease

Please refer to Note 6(k) for details of the investment property leased by the Company under on operating lease. The minimum lease payments receivable in futur during the non-cancellable lease term are as follows:

	December 31, 2021	December 31, 2020
Within one year	$ 19,320	19,328
Between one and five years	32,088	49,088
	$ 51,408	**68,416**

The rental income from investment property for the years ended December 31, 2021 and 2020 are $17,972 thousand and $18,909 thousand, respectively. In addition, there were no material maintenance expenses.

(p) Employee benefits

(i) Defined benefit plan

Reconciliation of defined benefit obligations at present value and plan asset at fair value were as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	$ 99,780	151,904
Fair value of plan assets	(94,532)	140,410
Net defined benefit liabilities	**$ 5,248**	**11,494**

(Continued)

The Company's employee benefit liabilities were as follows:

	December 31, 2021	December 31, 2020
Short-term employee's benefits liabilities	$ 18,228	19,803

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureay of Labor Pension Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company' s Bank of Taiwan labor pension reserve account balance amounted to $94,532 thousand as of December 31, 2020. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the years ended December 31, 2021 and 2020 are as follows:

	For the years ended December 31	
	2021	2020
Defined benefit obligations at January 1	$ 151,904	182,223
Current service costs and interest cost	2,301	4,096
Remeasurements of the net defined benefit liabilities		
—Actuarial gains arising from experience adjustments	594	5,576
—Actuarial gains from changes in demographic assumptions	54	-
—Actuarial gains from changes in financial assumption	(2,662)	3,803
Benefits paid by the plan	(52,411)	(28,452)
Effect of plan settlement	-	(15,342)
Defined benefit obligation at December 31	$ 99,780	151,904

(Continued)

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the years ended December 31, 2021 and 2020 are as follows:

	For the years ended December 31	
	2021	2020
Fair value of plan assets at January 1	$ 140,410	156,675
Interest revenue	329	1,009
Remeasurements of the net defined benefit liabilities		
—Return on plan assets (not including current interest cost)	2,237	5,816
Contributed amount	3,967	5,362
Benefits paid by the plan	(52,411)	(28,452)
Fair value of plan assets at December 31	**$ 94,532**	**140,410**

4) Expenses recognized in profit or loss

The Company' s pension expenses recognized in profit or loss for the years ended December 31, 2020 and 2019 are as follows:

	For the years ended December 31	
	2021	2020
Current service costs	$ 1,950	2,453
Interest expense	351	1,152
Net interest of net liabilities for defined benefit obligations	(329)	(1,009)
	$ 1,972	**2,596**
Operating Costs	1,897	2,468
Adminstrative expenses	75	128
	$ 1,972	**2,596**

5) Remeasurement of the net defined benefit liabilities recognized in other comprehensive income

The Company's net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2021 and 2020 are as follows:

	For the years ended December 31	
	2021	2020
Cumulative amount at January 1	$ 12,615	16,177
Recognized during the period	(4,251)	(3,562)
Cumulative amount at December 31	**$ 8,364**	**12,615**

(Continued)

6) Actuarial assumptions

The following are the principal actuarial assumptions at the measurement date:

	For the years ended December 31	
	2021	2020
Discount rate	0.65 %	0.25 %
Future salary increase rate	1.00 %	1.00 %

Based on the actuarial report, the Company expected to make a contribution payment of $3,688 thousand to the defined benefit plans for the one year period after the reporting date of 2021.

The weighted-average duration of the defined benefit plan is 6 years.

7) Sensitivity Analysis

As of December 31, 2021 and 2020, the changes in the principal actuarial assumptions that will have impact on the present value of the defined benefit obligation are as follows:

	Impact on Present Value of Defined Benefit Obligations	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2021		
Discount rate	(1,626)	1,671
Future salary increase rate	1,663	(1,627)
December 31, 2020		
Discount rate	(2,280)	2,343
Future salary increase rate	2,322	(2,271)

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in defined benefit obligations as some of the variables may be correlated in the actual situation. The model used in the sensitivity analysis is the same as the defined benefit obligation liability.

The analysis is performed based on the same basis for prior year.

(ii) Defined contribution plan

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The Company' s pension costs incurred from the contribution to the Bureau of Labor Insurance amounted to $22,431 thousand and $22,123 thousand for the years ended December 31, 2021 and 2020, respectively.

(Continued)

(q) Income tax

(i) Tax expense

The Company of income tax for the years ended December 31, 2021 and 2020 are as follows:

	For the years ended December 31	
	2021	2020
Current income tax expense		
Current period incurred	$ -	-
Adjustment for prior periods	-	6,694
	-	6,694
Deferred tax expense (income)		
The origination and reversal of temporary differences	1,345	13,415
	1,345	13,415
Income tax expense	**$ 1,345**	**20,109**

The amount of income tax recognized in other comprehensive income for the years ended December 31, 2021 and 2020 are as follows:

	For the years ended December 31	
	2021	2020
Items that may not be reclassified subsequently to profit or loss:		
Remeasurements of the defined benefit plans	**$ 850**	**(712)**

Reconciliation of income tax and profit before tax for the years ended December 31, 2021 and 2020 are as follows:

	For the years ended December 31	
	2021	2020
Profit (loss) before income tax	$ 106,730	(683,292)
Income tax expense at domestic statutory tax rate	21,346	(136,658)
Investment losses accounted for using equity method	(7,852)	(6,063)
Current-year losses for which no deferred tax asset was recognized	30,763	157,911
Prior understatement income tax	-	6,694
Change in unrecognized temporary difference	(42,703)	(2,181)
Others	(209)	406
Income tax expense (benefit)	**$ 1,345**	**20,109**

(Continued)

(ii) Deferred tax assets and liabilities recognized

1) Unrecognized deferred tax assets

	December 31, 2021	December 31, 2020
Impairment loss of financial assets	$ 1,048	2,422
Unrealized construction losses	42,953	84,266
The carryforward of unused losses	294,410	358,899
Total	**$ 338,411**	**445,587**

The ROC Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purpose. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2021, the information of the Company's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax loss	Expiry year
2016	$ 249,509	2026
2017	648,720	2027
2018	96,710	2028
2020	323,296	2030
2021	153,817	2031
	$ 1,472,052	

2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2021 and 2020 are as follows:

Deferred tax assets:

	Warranties Provisions	Unrealized Construction Losses	Unused tax Losses	Others	Total
Balance on January 1, 2021	$ 5,972	40,158	8,981	142	55,253
Recognized in profit (loss)	(1,345)	-	-	-	(1,345)
Balance on December 31, 2021	**$ 4,627**	**40,158**	**8,981**	**142**	**53,908**
Balance on January 1, 2020	$ 6,123	40,158	8,981	13,406	68,668
Recognized in profit (loss)	(151)	-	-	(13,264)	(13,415)
Balance on December 31, 2020	**$ 5,972**	**40,158**	**8,981**	**142**	**55,253**

(Continued)

Deferred tax liabilities:

	Defined Benefit Plans	Provisions for Land Value Increment Tax	Total
Balance on January 1, 2021	$ 2,523	13,313	15,836
Recognized in other comprehensive income	850	-	850
Balance on December 31, 2021	**$ 3,373**	**13,313**	**16,686**
Balance on January 1, 2020	$ 3,235	13,313	16,548
Recognized in other comprehensive income	(712)	-	(712)
Balance on December 31, 2020	**$ 2,523**	**13,313**	**15,836**

(iii) The Company's income tax returns have been assessed and approved by the Tax Authority through 2019.

(r) Capital and other equity

(i) Ordinary shares

As of December 31, 2021 and 2020, the authorized capital of Company consisted of 3,920,000 thousand, with par value of $10 per share, and the number of issued shares is 226,279 thousands shares. The payment of all issued shares has been collected.

The reconciliation of the outstanding shares for the years ended December 31, 2021 and 2020 were as follows:

(In thousands of shares)

	For the years ended December 31	
	2021	2020
December 31 (the same as beginning balance)	**226,279**	**226,279**

(ii) Capital surplus

The components of the capital surplus are as follows:

	December 31, 2021	December 31, 2020
Treasury share transactions	**$ 13,156**	**13,156**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(Continued)

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes or salary. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors to be submitted to the stockholders' meeting for approval.

The Company is in the mature stage of the Construction Industry business circle. To make sure the market competitiveness, the Company still has to consistently invest capital to expand the operation activities and search for the new opportunity of the corporate transformation. The stability and growth of the dividend should be focused when the Board of Directors proposes the distribution plan and determining the appropriate method of stock or cash dividends to be paid according to the current year's operation condition and the capital budget planning. After the above mentioned appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide on this matter. The cash dividends shall not be below 20% of the total dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

The Company applied the exemptions at the first-time adoption of IFRS, and increased its retained earnings by $286,775 thousand, which resulted from the fair value of investment property being used as the cost on initial recognitions at the transition date. In accordance with the Financial Supervisory Commission, a special reverse, which amounted to $180,637 thousand is appropriated from current and prior period earnings. The aforementioned special reserve may be reversed in proportion with the usage, disposal, or reclassification of the related assets, and then, be distributed afterwards. As of December 31, 2021 and 2020, the Company recognized the special reserve related to all IFRSs adjustments amounted to $170,785 thousand and $171,839 thousand. When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

There is no need for the Company to distribute the earnings of 2020 and 2019 on the resolutions decided during the shareholders' meeting held on Auguest, 27, 2021 and June, 19, 2020, respectively, because of the accumulated losses.

(Continued)

(iv) Other equity items (net of tax)

	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at FVOCI	Total
Balance on January 1, 2021	$ (49,337)	(19,016)	(68,353)
Exchange differences on foreign operation	(17,130)	-	(17,130)
Balance on December 31, 2021	**$ (66,467)**	**(19,016)**	**(85,483)**
Balance on January 1, 2020	$ (22,029)	(19,016)	(41,045)
Exchange differences on foreign operation	(27,308)	-	(27,308)
Balance on December 31, 2020	**$ (49,337)**	**(19,016)**	**(68,353)**

(s) Earnings per share

The Company's earnings per shares are calculated as follows:

	For the years ended December 31	
	2021	2020
(i) Basic earnings per share		
Profit (loss) attributable to ordinary shareholders of the Company	**$ 105,386**	**(703,401)**
Weighted average number of ordinary shares	**$ 226,279**	**226,279**
Profit (loss) attributable to basic earnings per share of the Company	**$ 0.47**	**(3.11)**
(ii) Diluted earnings per share		
Profit (loss) attributable to ordinary shareholders of the Company(diluted)	**$ 105,386**	**(703,401)**
Weighted average number of ordinary shares(diluted)	**226,279**	**226,279**
Profit (loss) attributable to basic earnings per share of the Company(diluted)	**$ 0.47**	**(3.11)**

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the years ended December 31	
	2021	2020
Type of Contract:		
Construction Contract-Government	$ 7,982,272	5,816,160
Construction Contract-Non-Government	57,070	482,912
	$ 8,039,342	**6,299,072**

(Continued)

(ii) Contract balances

		December 31, 2021	December 31, 2020	January 1, 2020
Note and accounts receivable	$	22,742	120,388	165,518
Accounts receivable due from related parties		-	38,452	2,586
Total	**$**	**22,742**	**158,840**	**168,104**
Contract assets-Building Construction	$	751,997	504,720	810,130
Contract assets-Civil Engineering		1,050,856	689,930	1,254,096
Total	**$**	**1,802,853**	**1,194,650**	**2,064,226**
Contract liabilities-Building Construction	$	169,596	316,161	459,438
Contract liabilities-Civil Engineering		-	98,426	207,248
Total	**$**	**169,596**	**414,587**	**666,686**

The contract assets mentioned above include the retention, which is 5% to 10% deducted from the bills to make sure the construction progress. For the years ended December 31, 2021 and 2020, the retrieved condition of estimated retention according to the construction contract and estimated construction progress is as follows:

Estimated Retrieved Year		December 31, 2021	December 31, 2020
Less than one year	$	360,288	403,926
More than one year		513,451	353,022
	$	**873,739**	**756,948**

For the details of accounts receivable and loss allowance, please refer to Note 6(d).

For the details of the onerous contracts, please refer to Note 6(n).

The major change in the balance of contract assets and liabilities is the difference between the time the performance obligation is satisfied and the payment from customers is received, which is measured by the changing degree of completion of construction.

(u) Employee compensation and directors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 5% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

(Continued)

For the years ended December 31, 2021 and 2020, the Company estimated its employee remuneration amounting to $0, respectively, and directors' remuneration amounting to $0, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2021 and 2020. Management is expecting that the differences, if any, between the actual distributed amounts and estimated amounts will be treated as changes in accounting estimates and charged to profit or loss.

There were no significant difference between employees' s compensation and remuneration of directors approved by the Board of Directors meeting and the estimated amount for the years of 2020.

(v) Non-operating income and expense

(i) Interest income

The details of interest income are as follows:

	For the years ended December 31	
	2021	2020
Interest income from bank deposits	$ 463	1,144
Other interest income	133	1,030
	$ 596	**2,174**

(ii) Other income

The details of other income are as follows:

	For the years ended December 31	
	2021	2020
Rental revenue	**$ 17,972**	**18,909**

(iii) Other gains and losses

The details of other gains and losses are as follows:

	For the years ended December 31	
	2021	2020
Gains on disposals of property, plant and equipment	$ 1,155	1,432
Gains on disposals of intangible assets	1,274	799
Lease Benofit Modification	1,135	-
Foreign exchange losses	(643)	(1,607)
Other income	14,898	107,882
Other losses	(3,163)	(9,066)
	$ 14,656	**99,440**

(Continued)

(iv) Finance costs

The details of finance cost are as follows:

	For the years ended December 31	
	2021	2020
Interest expense		
Bank borrowing	$ 17,410	18,151
Other	10,336	390
	$ 27,746	**18,541**

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represent the maximum amount exposed to credit risk.

2) Concentration of credit risk

Since the Company' s clients mainly are other construction corporations and owners governmental public-constructions, the Company has to consistently evaluate the clients' financial condition and ask them to provide guarantee or warranty if necessary. The company still evaluates the possibility of accounts receivable recovery and recognizes loss allowance provision on a regular basis. The 99% of accounts receivable belonging to a client may result in the concentration of credit risk for the years ended December 31, 2021 and 2020.

3) Receivables

For credit risk exposure of note and account receivables, please refer to Noe 6(d).

(ii) Liquidity risk

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

	Carrying amount	Contractual Cash Flows	Within 1 year	1-3 years	Over 3 years
December 31, 2021					
Non-derivative financial liabilities					
Secured loans	$ 1,237,997	1,242,163	1,242,163	-	-
Unsecured bank loans	30,000	30,033	30,033	-	-
Notes and accounts payable	2,311,677	2,311,677	1,930,628	309,175	71,874
Other payables	108,811	108,811	108,811	-	-
Lease liabilities	38,405	38,405	19,427	17,319	1,659
Other current liabilities - construction guarantee deposit received	202,984	202,984	39,384	138,646	24,954
Guarantee deposit received - non current	3,571	3,571	-	2,350	1,221
	$ 3,933,445	**3,937,644**	**3,370,446**	**467,490**	**99,708**

(Continued)

	Carrying amount	Contractual Cash Flows	Within 1 year	1-3 years	Over 3 years
December 31, 2020					
Non-derivative financial liabilities					
Secured loans	$ 853,466	858,651	698,310	160,341	-
Notes and accounts payable	2,494,652	2,494,652	2,225,525	80,869	188,258
Other payables	111,125	111,125	111,125	-	-
Lease liabilities	39,287	39,726	28,058	11,668	-
Other current liabilities - construction guarantee deposit received	181,043	181,043	51,940	121,351	7,752
Guarantee deposit received - non current	1,809	1,809	-	-	1,809
	$ 3,681,382	**3,687,006**	**3,114,958**	**374,229**	**197,819**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure of foreign currency risk

The Company's significant exposures to foreign currency risk is as follows:

	December 31, 2021			December 31, 2020		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
CNY:USD	$ -	27.6800	-	1,120	28.4800	33,981

2) Sensitivity analysis

The Company' s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that are denominated in foreign currency. A strengthonicy (weakening) 1% of the NTD against the USD as of December 31, 2021 and 2020 would have increased (decreased) the after-tax net income for the years ended December 31, 2021 and 2020 by $0 thousand and $272 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

As the Company deals in diverse foreign currencies, gains or losses on foreign exchange are summarized as a single amount. For the years ended December 31, 2021 and 2020, the foreign exchange losses, including both realized and unrealized, amounted to $643 thousand and $1,607 thousand, respectively.

(iv) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in the note of liquidity risk management.

(Continued)

The following sensitivity analysis is based on the risk exposure to interest rates on the non-derivate financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increase or decrease by 0.25% when reporting to management internally, which also represent the Company management's assessment of the reasonably possible interest rate change.

If the interest rate increases/decreases by 0.25%, the Company' s net income have decrease/increase by $2,536 thousand and $1,707 thousand for the years ended December 31, 2021 and 2020, respectively, with all other variable factors remain constant. This is mainly due to the Company's borrowing at variable rate.

(v) Other market price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows, assuming the analysis were based on the same basis, other variables considered in the analysis remain the same:

	For the years ended December 31			
	2021		2020	
Price of securities at the reporting date	Other comprehensive Income (after tax)	Net Income	Other comprehensive Income (after tax)	Net Income (Loss)
Increase 10%	$ 138	819	138	-
Decrease 10%	$ (138)	(819)	(138)	-

(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets at fair value through porfit or loss and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Company' s financial assets and liabilities, including the information on fair value hierarchy are as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2021				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss	$ 10,240	10,240	-	-	10,240
Financial assets at fair value through other comprehensive income					
Unlisted common shares	$ 1,727	-	-	1,727	1,727

(Continued)

	December 31, 2021				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,119,208	-	-	-	-
Notes and accounts receivable	22,742	-	-	-	-
Other receivables	1,290	-	-	-	-
Restricted asset	595,427	-	-	-	-
Subtotal	1,738,667	-	-	-	-
Total	**$ 1,750,634**	**10,240**	**-**	**1,727**	**11,967**
Financial liabilities at amortized cost					
Bank loans	1,267,997	-	-	-	-
Notes and accounts payable	2,311,677	-	-	-	-
Other payables	108,811	-	-	-	-
Lease liabilities	38,405	-	-	-	-
Other non-current liabilities – guarantee Deposit received	202,984	-	-	-	-
Non-current guarantee deposit received -non -current	3,571	-	-	-	-
Total	**$ 3,933,445**	**-**	**-**	**-**	**-**

	December 31, 2020				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unlisted common shares	1,727	-	-	1,727	1,727
Financial assets at amortized cost					
Cash and cash equivalents	$ 843,365	-	-	-	-
Notes and accounts receivable	$ 158,840	-	-	-	-
Other receivables	78,221	-	-	-	-
Guarantee deposit paid	78,815	-	-	-	-
Restricted asset	1,072,738	-	-	-	-
Subtotal	2,231,979	-	-	-	-
Total	**$ 2,233,706**	**-**	**-**	**1,727**	**1,727**
Financial assets at amortized cost					
Bank loans	$ 853,466	-	-	-	-
Notes and accounts payable	2,494,652	-	-	-	-
Other payables	111,125	-	-	-	-
Lease liabilities	39,287	-	-	-	-
Other non-current liabilities – guarantee Deposit received	181,043	-	-	-	-
Non-current guarantee deposit received -non -current	1,809	-	-	-	-
Total	**$ 3,681,382**	**-**	**-**	**-**	**-**

(Continued)

2) Valuation techniques for financial instruments measured at fair value

Financial instruments traded in active markets are based on quoted market prices. Market prices quoted from main exchanges and over- the-counter are the basis of fair value of equity instruments and credit instrument traded in active markets.

Except for the financial instruments held by the Company have active market, other financial instruments' fair value is decided on the basis of general pricing model, which is analyzed by the discounted cash flows.

There have been no transfers from each level for the years ended December 31, 2021 and 2020.

(x) Financial risk management

(i) Overview

The Company have exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company' s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosure about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the management framwork.

The Company' s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

(Continued)

1) Account and other receivables

The Company established a credit policy to obtain the necessary collateral to mitigate risks arising from financial loss due to the default risk. The Company will transact with corporations having credit ratings equivalent to investment grade, and such ratings are provided by independent rating agencies. Where it is not possible to obtain such information, the Company will assess the ratings based on other publicly available financial information and records of transactions with its major customers. The Company continuously monitors the exposure to the credit risk and counterparty credit ratings, and establish sales limits based on the credit rating for each of its approved customer. The credit limits for each counterparty are approved and reviewed annually by the Risk Management Committee.

The Company did not have any collateral or other credit enhancements to avoid credit risk of financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Company' s policy is to provide financial guarantees only to wholly owned subsidiaries and construction. On December 31, 2021 and 2020, no other guarantees were outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company' s reputation.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company' s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Each market risk management information is as follows:

(Continued)

1) Interest rate risk

The Company adopts a policy of ensuring that interest rates on borrowings are on a variable-rate basis. Considering the lower market rate, the Company did not sign any interest rate swap contract. The interest rate swap contract can be adopted to lower the risk if the interest rate is raising.

2) Other market price risk

The Company is exposed to the equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments. The Company assigned a specific team to supervise and assess the equity price risk so as to avoid or minimize the risk from the hedging position.

(y) Capital management

The objectives of the Board' s policy are to maintain an optimal capital structure to keep the investors, creditors, the market faith, and the future operation. The capital consists of the Company's capital stock, retained earnings and net liabilities. The Board of Directors is in charge of return on capital as well as monitoring the level of common stock's dividend. The debt-to- capital ratio at the end of the reporting period as of December 31, 2021, is as follows:

	December 31, 2021	December 31, 2020
Total liabilities	$ 4,200,389	4,205,661
Less: cash and cash equivalents	(1,119,208)	(843,365)
Net debt	3,081,181	3,362,296
Total equity	1,814,773	1,723,117
Adjusted capital	**$ 4,895,954**	**5,085,413**
Debt to equity ratio	**62.93%**	**66.12%**

(7) Related-party transactions:

(a) The ultimate parent company

The Company is both the parent company the ultimate controlling party of the Group.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of Related Party	Relationship with the Company
New Asia Technology Development Company PTE. LTD.	Subsidiaries
Nanton Xin Yue Health Management LTD.	〃
Hefa Land Development	Associates
Dong Pi Co., Ltd Corporation	Joint operators
Titan Development and Construction., LTD.	〃

(Continued)

(c) Significant transactions with related parties

(i) Sales to related parties

The amounts of significant sales transactions between the Company and related parties are as follows:

		For the years ended December 31, 2021			
	Nature	Total contract amount	Valuated amount	Current valuated amount	Income recognition int the current period
Associates-Hefa Land Development	Construction contract	$ 3,417,351	3,317,955	29,925	29,925

		For the years ended December 31, 2020			
	Nature	Total contract amount	Valuated amount	Current valuated amount	Income recognition int the current period
Associates-Hefa Land Development	Construction contract	$ 3,417,351	3,288,030	317,781	317,781

1) The construction contracted by the Company to the affiliate is the contract price after the reasonable management fee and profit are added in accordance with the project budget, following the outsourcing operation regulations of the construction project of the affiliated company, and submitted to the supervisor for approval through price comparison and negotiation procedures.

2) For the years ended December 31, 2021 and 2020, the gross profit rates of the construction contracted by the Company with the non-affiliated company are about (12.69)%～5.96% and (13.76)%～6.22% respectively, and the gross profit rates with the affiliated company are about 2.02% and 1.71% respectively.

(ii) Receivables from Affiliates and Contract Assets

Details of receivables from affiliates and contract assets of the Company are as follows:

Accounting items	Category of affiliates	December 31, 2021	December 31, 2020
Contract assets	Associates-Hefa Land Development	$ 31,831	151,708
Account receivables	Associates-Hefa Land Development	$ -	$ 38,452
Other receivables	Associates-Hefa Land Development	-	53
〃	Joint operators-Dong Pi Co., Ltd.	-	7,851
〃	Joint operators-Titan Development and Construction., Ltd.	-	21
		$ -	7,925

(Continued)

(iii) Other

For the years ended December 31, 2021 and 2020, the guarantee notes payables are billed amounting to $49,370 thousand and $312,600 thousand, respectively, for the affiliated company to contract construction outsourcing operation to the Company.

(d) Key management transactions

The compensation of key management is as follows:

	For the years ended December 31,	
	2021	2020
Short-term employee benefits	$ 24,779	25,972
Post-employment benefits	333	324
	$ 25,112	**26,296**

(8) Pledged assets:

The information on pledged assets carrying values is as follows:

Pledged assets	Object	December 31, 2021	December 31, 2020
Other current financial assets (pledged deposit and reserve account)	Short-term borrowings, construction contract bond, advance payment, material purchasing and construction guarantees	$ 595,427	1,072,738
Property, plant and equipment, net	Short-term borrowings, material purchasing and construction guarantees	321,277	325,543
Investment property, net	Short-term borrowings	483,700	485,451
		$ 1,400,404	**1,883,732**

(9) Commitments and contingencies:

(a) Contract price signed with clients are as follows:

	December 31, 2021	December 31, 2020
Amount of signed contracts (before tax)	**$ 46,268,874**	**35,914,414**
Received amount from contracts	**$ 18,084,423**	**15,934,906**

(b) For the years ended December 31, 2021 and 2020, the unused standby letters of credit for purchasing material are $24,199 thousand and $43,506 thousand.

(Continued)

(c) For the years ended December 31, 2021 and 2020, the unrecognized contractual commitment from construction contracts which are signed for materials in order to build construction contracted.

	December 31, 2021	December 31, 2020
Total contract price (before tax)	$ 1,070,389	1,181,532
Total amounts paid under contracts (recognized as prepayments)	$ 43,960	113,743

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

Employee benefits, depreciation, and amortization, are summarized as follows:

By funtion / By item	For the Years Ended December 31					
	2021			2020		
	Operating Costs	Operating Expense	Total	Operating Costs	Operating Expense	Total
Employee benefits						
Salary	442,966	55,801	498,767	444,326	61,023	505,349
Labor and health insurance	46,347	4,103	50,450	42,659	3,694	46,353
Pension	22,161	2,242	24,403	22,502	2,217	24,719
Remuneration of directors	-	4,345	4,345	-	3,508	3,508
Others	1,574	4,286	5,860	1,561	3,326	4,887
Depreciation	28,585	15,759	44,344	26,405	15,656	42,061
Depletion	-	-	-	-	-	-
Amortization	-	90	90	-	68	68

Note: Depreciation of investment properties, recognized as other gains and losses under non-operating incomes and expenses are $3,204 thousand and $3,208 thousand for the years ended December 31, 2021 and 2020.

(Continued)

For the years ended December 31, 2021 and 2020, the additional information of numbers of Company employees and expenses of employee benefits are as follows:

	2021	2020
Number of employees	605	657
Number of directors (non-employee)	7	9
Average employee benefit expense	$ 969	897
Average employee salary expense	$ 834	780
Adjustment of average employee salary expense	6.92 %	(5.22)%
Remuneration of supervisors	$ -	-

The information of Company's salary policy (including director, manager and employee) is as follows：

(a) Remuneration of Directors

Remuneration of directors includes fixed payment and payment of professional practice, and is paid on the peer remuneration levels. The Company authorizes the Board of Directors to determine the remuneration in accordance with Article 23 of the Company's Articles of Incorporation. Please refer to Note 6(u) for more information.

(b) Remuneration of Managers

Remuneration of managers include salary, bonus and remuneration. Salary is adopted in an unified salary system, which can be divided into fixed salary and duties allowance. The former is based on employees' seniority and contribution to the Company and the latter is based on the responsibility of the position. Year-end bonuses and performance bonuses are evaluated by the Remuneration Committee based on employees' working performance. Please refer to Note 6(u) for more information.

(c) Remuneration of Employees

Remuneration of employees includes salary, bonus and employee compensation. Salary is adopted in a pay range system, which salary is paid according to each position. Salary and bonus are adjusted and paid according to employees' working performance. Please refer to Note 6(u) for more information.

(Continued)

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions on December 31, 2021, required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

Name of Holder	Category and Name of Security	Relationship with Issued Company	Account	Ending Balance				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Company	Zu Yuan Industries Co., LTD	-	Non-current financial assets at fair value through other comprehensive income	1,391,465	1,727	11.28 %	1,727	
The Company	Mega Taiwan Financial and Conventional	-	Current financial assets at fair value through profit or loss	1,000,000	10,240	- %	10,240	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(v) Information on the acquisition of real estate with amount exceeding NT$300 million or 20% of the capital stock: None

(vi) Information on the disposal of real estate with amount exceeding NT$300 million or 20% of the capital stock: None

(vii) Information regarding related-party transactions for purchases and sales with amounts exceeding NT$300 million or 20% of the capital stock: None

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2021 (excluding information on investees in Mainland China):

(In Thousands of Shares)

Name of Investor	Name of Investee	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2021			Net Income (Losses) of Investee	Share of Profits/Losses of Investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
The Company	New Asia Technology Development Company PTD. LTD.	Singapore	Investing	259,271	259,271	10,500	100.00 %	701,294	14,108	14,108	
〃	Hefa Land Development Corporation	Taiwan	Development and Lease of housings, buildings and plants	278,320	378,320	27,832	10.00 %	319,695	251,540	25,154	

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of Investee	Main Businesses	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Losses) of the Investee	Percentage of Ownership	Investment Income (Losses)	Book Value	Accumu-lated Remittance of Earnings in Current Period
					Outflow	Inflow						
Nanton Xin Yue Health Management LTD.	Health Advisory and Health Management	166,080 (USD6,000)	(Note)	166,080 (USD6,000)	-	-	166,080 (USD6,000)	(1,052) (USD(38))	100.00%	(1,052) (USD(38))	135,770 (USD4,905)	-

Note 1: Indirectly invested in Mainland China through the third region.

(Continued)

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
166,080 (USD 6,000)	403,436 (USD 14,575)	1,088,864

Note 1: The original investment amountng to USD8,575 thousand in Nanton Xingxing Heat and Power Co., Ltd. in Mainland China had been transformed to counterparty in August 2016, and it was cancelled through the amended Permit 10500255770 by the Investment Commission, MOEA on November 4, 2016. Therefore the amount mentioned above was not included in accumulated investment in Mainland China.

Note 2: Except for the 'Investment or technical cooperation review principal in China', which was amended by Investment Amount Authorized by the Investment Commission on August 29, 2008, the upper limit on investment is the higher value of sixty percent of the net value of the Company or the Group.

(iii) Significant transactions: None

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2021.

New Asia Construction & Development Corp.

Deficit off-setting Table

2021

Currency Unit: NT$

Description	Amount
Beginning Accumulated Deficit	$ (753, 926, 808)
Plus (minus):	
Amount appropriated as the special reserve from reversal shareholder's equity	1,053,820
Actuarial gains included in retained earnings	3, 401, 394
Adjusted beginning balance of aggregated loss	(749, 471, 594)
Plus: net income after tax of 2020	105, 384, 865
Subtract: recognized statutory surplus reserve (10%)	0
Closing Accumulated Deficit	$ (644, 086, 729)

Chairman of the board of directors: TZOU HONG-KEE

General manager: Lai Tiao-Tsan

Accounting manager: CHEN PO CHUNG

VI. In the most recent fiscal year and up to the date of publication of the annual report, any financial difficulties experienced by the Corporation or its affiliates and how said difficulties will affect the Corporation's financial situation: None.

Chapter 7 Review and Analysis of the Corporation's Financial Position and Financial Performance, and Listing of Risks

I. Financial position (IFRS consolidated)

Unit: NTD 1,000

Description \ Year	2021	2020	Differences	
			Amount	%
Current assets	4,432,624	4,237,595	195,029	4.60
Real estate, plants and equipment	646,176	652,031	(5,855)	(0.90)
Intangible assets	113	203	(90)	0
Other assets	937,298	1,039,996	(102,698)	(9.87)
Total assets	6,016,211	5,929,825	86,386	1.46
Current liabilities	4,151,649	4,161,268	(9,619)	(0.23)
Non-current liabilities	49,789	45,440	4,349	9.57
Total liabilities	4,201,438	4,206,708	(5,270)	(0.13)
Equity	2,262,785	2,262,785	0	0
Capital reserve	13,156	13,156	0	0
Retained earnings	(375,685)	(484,471)	108,786	(22.45)
Other equity	(85,483)	(68,353)	(17,130)	25.06
Treasury Stock	0	0	0	0
Profit and/or loss attributable to the owners of parent company	1,814,773	1,723,117	91,656	5.32
Non-controlling interest	0	0	0	0
Total equity	1,814,773	1,723,117	91,656	5.32

Description of items with material changes:
Retained earnings: Increase in annual surplus.
Other equity: Exchange differences of foreign operating institutions.

II. Financial performance

(I) Comparative Analysis of Financial Performance (IFRS consolidated)

Unit: NTD 1,000

Year / Description	2021	2020	Amount of increase (decrease)	Ratio %
Revenue	8,042,793	6,303,705	1,739,088	27.59
Operating costs	7,843,784	6,977,042	866,742	12.42
Gross Operating Profit (Loss)	199,009	(673,337)	872,346	(129.56)
Operating Expenses	141,171	157,336	(16,165)	(10.27)
Net operating Loss	57,838	(830,673)	888,511	(106.96)
Revenue and expense outside operation	48,892	146,239	(97,347)	(66.57)
Net profit (loss) before tax	106,730	(684,434)	791,164	(115.59)
Less: Income tax gain (expense)	1,345	20,109	(18,764)	(93.31)
Loss from discontinued operations after tax	0	0	0	0
Net Profit (Loss) After Tax	105,385	(704,543)	809,928	(114.96)

Description on changes of ratios:
Revenue: Some of the projects reached their peak.
Operating gross profit: Turning a loss into a profit.
Net operating profit: Turning a loss into a profit.
Revenue and expense outside operation: No significant dispute resolution payments are recorded.
Net profit (loss) before tax: Turning a loss into a profit.
Income tax expense: Deferred income tax differences.
Net profit (loss) after tax: Turning a loss into a profit.

(II) Analysis of changes in operating gross profit: NTD 1,000

	Variation from the previous period	Reason for variation			
		Price difference	Cost difference	Sales mix difference	Quantity difference
Gross operating profit	872, 346	-	-	-	-
Gross Operating Profit - sale of goods	872, 511	-	-	-	-
Gross Operating Profit - others	-165	-	-	-	-

Description: 1. Net Operating Profit - construction

(1) The Corporation is in the construction industry. Due to its characteristics, the difference between cost and sell price is not calculated.

III. Cash flow

(I) Cash flow analysis for the most recent 2 years

Year / Description	2020	2021	Increase (Decrease) Ratio (%)
Cash Flow Ratio (%)	(Note 1)	(Note 1)	-
Cash Flow Adequacy Ratio (%)	(Note 1)	(Note 1)	-
Cash Reinvestment Ratio (%)	(Note 1)	(Note 1)	-

Note 1: Cash flow from operating activities is below 0, thus the ratios related to cash are not analyzed.

(II) Liquidity analysis for the coming year

Unit: NTD 1,000

Initial cash balance (December 31, 2021)	Annual net cash flow from operating activities (2022)	Cash outflow for the year (2022)	Remaining/insufficient cash balance (as of December 31, 2022)	Remedial measures for cash inadequacy	
				Investment plan	Financing plan
1, 742, 598	631, 131	865, 090	1, 508, 639	0	0

IV. Major capital expenditure for the most recent year and its effect on financial position and operation of the Corporation: None.

V. Corporation reinvestment policy for the most recent fiscal year, main reasons for profits/losses generated thereby, plan for improving reinvestment profitability, and investment plans for coming year: None.

VI. Analysis and evaluation of risk factors

(I) Effect upon the Corporation's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Interest rate:The Central Bank recently followed the Federal Reserve's resolution to raise interest rates by 0.25%, the same goes for interest rates for deposits and loans. However, the Corporation's interest income and interest expenses accounted for a low percentage of revenue. Therefore, changes in interest rates have no significant impact on the Corporation's profit and loss.
2. Exchange rate: Although the exchange rate of New Taiwan Dollars has fluctuated in recent years, in the long run, the range of change is still within control. The Corporation designated special personnel to conduct assessments from time to time, and the exchange rate has no significant impact on the Corporation.
3. Inflation: In recent years, the prices of gasoline and raw materials continued to rise. In addition to negotiating preferential prices with long-term suppliers based on market conditions and construction needs, the Corporation also actively seeks price subsidies from owners to reduce the impact of inflation on the Corporation.

(II) The Corporation's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. High-risk, highly-leveraged investments: None.
2. Derivatives transactions: None.
3. The Corporation's policies and procedures for handling loans to other

parties, endorsements and guarantees and derivative transactions are conducted in accordance with the Corporation's "Operational Procedures for Acquisition or Disposal of Assets," "Operational Procedures for Loaning of Funds," and "Operational Procedures for Making Endorsements and Guarantees for Others."

(III) Future R&D plans and expected R&D expenditure: None.

(IV) Changes in important policies and legal environment at home and abroad, and the effect on the financial status and operation of the Corporation, and countermeasures: None.

(V) Effect on the Corporation's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response: None.

(VI) Impact of changes in corporate identity on the Corporation's crisis management, and countermeasures: None.

(VII) Expected benefits and possible risks of merger and acquisition, and countermeasures: None.

(VIII) Expected benefits and possible risks of facilities expansion, and countermeasures: None.

(IX) Risk from centralized purchasing or selling, and countermeasures:

Purchasing:

When purchasing the main materials for each project, the supplier's capacity and business scale must be considered to determine the number of suppliers to be subcontracted, so as to avoid the risk of supply chain failure on the part of the suppliers or termination of business for the supplier due to over dependence on particular suppliers.

Selling:

Since our main customers are government entities, the risks we faced are relatively small.

(X) Impact and risk associated with large share transfers or changes in shareholdings of directors, supervisors, or shareholders who hold more than 10% of the Corporation's shares, and countermeasures: None.

(XI) Impact and risk associated with changes in management rights, and countermeasures: None.

(XII) Disclosure of issues in dispute, monetary amount of claims, filing date, parties involved, and status of any litigation or other legal proceedings within the latest fiscal year and as of the date of the annual report where the Corporation and/or any of its directors, supervisors, president, person in charge, shareholders with 10% or more share ownership, or affiliates are involved in a pending litigation, legal proceedings or administrative proceedings, or a final judgment or ruling which may have a material adverse effect on the Corporation's shareholder equity or price of securities: None.

(XIII) Other major risks and countermeasures: None.

VII. Other important matters: None.

Chapter 8 Special Disclosure

I. Information on the Corporation affiliates

(I) Diagram of affiliates

(II) Information on the Corporation affiliates

Enterprise name	Incorporation date	Address	Paid-up Capital	Major business or items produced
New Asia Technology Development Company Pte. Ltd.	1995.11.22	Rm 283, 5th floor, Selegie Department Store Building, 257 Selegie Road, Singapore	SGD 10,500,000	With investment as its main business scope
Nantong Xin Yue Health Management Ltd.	2017.11.02	F201-2, No.5 Yuan-Jung Public Building, No. 57, Gongnong Rd, Chongchuan Qu, Nantong Shi	USD$ 6 million	Operating health consulting and management business

(III) Information on directors, supervisors and general managers of affiliated companies

Enterprise name	Title	Full name or Representative	Shareholdings	
			Shares	Share ownership (%)
New Asia Technology Development Company Pte. Ltd.	Director	New Asia Construction & Development Corp. (representatives: Tzou Hong-Kee, Chu Tai-Sheng, Yang Tai-Yung)	-	100%
Nantong Xin Yue Health Management Ltd.	Executive director	New Asia Technology Development Company Pte. Ltd.: Tzou Hong-Kee	-	100%

(IV) Overview of affiliate operation

December 31, 2021
Unit: NTD 1,000

Enterprise name	Initial investment amount	Closing Ownership Percentage	Investment profit/loss recognized in the current period
New Asia Technology Development Company Pte. Ltd.	259,271	100.00%	14,108
Nantong Xin Yue Health Management Ltd.	166,080	100.00%	(1,052)

Note: 1. On March 31, 2011, the original invested company, Singapore Hsin-Hsing Power Development Co., Ltd. changed its name to Singapore New Asia Technology Development Co., Ltd.

(V) Affiliate Reports

Statement of Declaration

The entities that are required to be included in the combined financial statements of the Corporation as of and for the year ended December 31, 2021 under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, the Corporation and subsidiaries do not prepare a separate set of combined financial statements.

Hereby certify

Name of the Corporation: New Asia Construction & Development Corp.

Chairman: Tzou Hong-Kee

Date: March 15, 2022

II. Private placement of securities during the most recent fiscal year and up to the date of publication of the annual report: None.

III. Holding or disposal of the Corporation's stock by subsidiaries during the most recent year and up until the date of publication of the annual report: None.

IV. Other supplementary disclosure: None.

Chapter 9 Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Corporation's Securities Occurring During the Most Recent Fiscal Year and Up to the Date of Publication of the Annual Report: None.