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RADIUM LIFE TECH. CO., LTD.

2021 ANNUAL REPORT



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<http://mops.twse.com.tw>

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Notice to readers

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

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➤ **Overseas Trade Places for Listed Negotiable Securities** : None.

➤ **Corporate Website**

<http://www.radium.com.tw>

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Letter to Shareholders

Dear Shareholders,

Thank you for your continued trust in and support of Radium Life Tech Co., Ltd. With your trust and our partners' efforts, we have made a name for ourselves within industry. The GENESIS-Sanzhi sales of elderly caring business are growing, and I Beautiful Life-Zhonghe has won the "Symbol of National Quality" awarded by the National Biotechnology Medical Technology Policy Center for the warming home-like service. Radium has also implemented ESG concepts in the Company's operations. Radium together with subsidiary Rih Ding Circular Economy Investment Holdings was selected to be the best applicant for "Reclaimed Water BTO (build, transfer, operate) Project of North District Water Resources Recycling Center in Taoyuan." Subsidiary Rih Ding Water managing the Taiwan largest Taoyuan North District Water Resource Recovery System BOT, has won the "Golden Thumb Award" awarded by the PPP (Promotion of Private Participation) of the Ministry of Finance. Furthermore, our operating businesses, such as Wan Da Tong, Q Square and Kagaya have undergone digital transformation to achieve more business opportunities. We will continue to expand our business in a diverse direction alongside the EGS concepts of sustainability and responsible global village member.

Radium's New Q Square in Qingpu received its use license in Q4 2021 and delivered starting from Q4 2021. The Duo-Diamond Green Building Community "Radium Perfect Life" in Banqiao consists of 4,850 units, forming business district with over 10,000 people. We also teamed up with the New Taipei City Government in launching the "Yourh Starting up from Fu-Jou," offering affordable rents to young entrepreneurs. We continue to win bids from all over Taiwan, including the rrbarn renewal project for Gongyuan Section, Zhongzheng Dist., Taipei City, the land development project of TaiChung MRT Systems, and urban renewal project on Kaohsiung Railway Station East old dormitory area. Our cores of architecture design including green buildings, digital technologies and low-carbon buildings.

With the concept of "growing old in own house", we have launched the Genesis-Sanzhi, including residential units (The GENESIS) for sales and renal (I Beautiful Life-Sanzhi), focusing on building a healthy environment tailored to the needs of older people. Combined with the wellness service of iBeautiful Life- Zhonghe, we will build up the project with advanced safety technology of UWB and Cloud Guardianship System. Together with the care of the nursing staff and a green garden spanning 10,578.5 square meters, we have successfully built a market for senior citizens as well as youngsters.

Over the years, Radium Life has been making a proactive effort to plan for its sustainable development, from the Duo-Diamond Green Building Community "Radium Perfect Life", to entering circular economy wastewater treatment, solar energy, reclaimed water and waste-to-energy businesses. The Duo-Diamond Green Building Community "Radium Perfect Life" is surrounded by 82644 meter squares of green space. Each year, 3,001 metric tons of carbon dioxide emissions are reduced, an equivalent to the annual carbon

adsorption capacity of 7.8 Daan Forest Parks. Our subsidiary Jing Ding Green Energy is in charge of the BOT project at Zhangbin Industrial Park Resource Processing Center. The environmental evaluation was approved in 2022. After completion, it's estimated to treat 700 tons of general industry waste and sludge daily. Our goal is to recycle industrial waste to be reused in industry production, therefore to support the development of circular economy in Taiwan.

As for Rih Ding Water Enterprise, which is making stable profits - given its achievements in the BOT project for Reclaimed Water for Taoyuan North District Water Resources Recycling Center, it was rewarded the “Gold Thumb” by Promotion of Private Participation. At the same time, Radium Life received the “2021 TCSA Sustainability Report Silver Award” from the TAISE. Radium Group have invested approximately NT\$10 billion to build the Taoyuan water resource recycling system, which has reached 110,000 households in 2021 with capacity of treating 100,000 tons of sewage per day. We adhere to the ESG concepts of making investments in order to feedback society. In 2022, Radium Group was selected the best applicant for the “Reclaimed Water BTO Project of North District Water Resources Recycling Center in Taoyuan” by the Taoyuan Government. After completion of the first phase, more than 40,000 metric tons of reclaimed water is expected to be provided daily, enhancing the flexibility of water resources dispatch in Taoyuan, while increasing employment opportunities and economic benefits in Great Taoyuan.

Since we established 40 years ago, we have involved in construction and Transit-Oriented Development (TOD) projects, along with elderly caring, circular economy and operating businesses. We have incorporated sustainability into our different stages of strategy, with solid plans of sustainability roadmap and digital transformation.

Again, I would like to thank all of our shareholders for your long-term support and investment.

The following is the Company’s 2020 operating results and 2021 outlook for shareholders:

2021 Operating Results

(I) Consolidated financial results

Unit: NT\$ thousand ; %

Items \ Year	2021	2020	Growth Rate
Operating Revenue	6,259,097	6,772,332	(7.58)
Net Income	63,050	667,285	(90.55)
Net Margin	1.01	9.85	(89.75)

No large-scale construction projects were completed in 2021; only the Qingpu project was completed and gains were recognized. In addition, impacted by the COVID-19 pandemic, the profits of our subsidiary Jing-Jan decreased, resulting in a decrease in consolidated revenue of \$513,235 thousand in 2021 from 2020; a decrease in net income of \$604,235 thousand from 2020, representing a growth rate of (90.55)%.

(II) Budget implementation

The company did not compile a financial forecast in 2021.

(III) Financial Income and Expenditure and Profitability Analysis

1. Cash Flow Change Analysis

Unit : %

Items \ Year	2021	2020	Percentage Change
Cash Flow Ratio	5.93	—	—
Cash Flow Adequacy Ratio	361.84	228.79	58.15
Cash Flow Re-investment Ratio	1.79	(1.32)	(235.61)

Note: "-" is for negative net cash flow from operating activities.

This was mainly due to the cash inflow from operating activities as construction projects were successively delivered. These were recognized as revenue in 2021, increasing the cash flow ratio to 5.93. As inventory continued to decrease, cash flow adequacy ratio increased from 2020, which resulted in a positive cash reinvestment ratio, increasing the cash reinvestment ratio from 2020.

2. Profitability analysis

Unit : %

Items \ Year	2021	2020	Percentage Change
Return on Total Assets	1.19	2.27	(47.58)
Return on Equity	0.55	5.69	(90.33)
Net Margin	1.01	9.85	(89.75)
Basic /Diluted Earnings Per Share (NT\$)	0.07	0.69	(89.86)

No large-scale construction projects were completed in 2021. With the impact of COVID-19, net income after tax of the Company and subsidiaries decreased in 2021 from 2020, resulting in lower profitability indicators in 2020.

(IV) Research and development status

1. Construction business

- (1) Introduce the rental and sale model in its elderly care business, featuring whole-generation home-based care based on innovate business concepts.
- (2) Adopt the TOD urban development model to combine projects with public transportation stations in a shared structure model and design integrated smart green buildings.
- (3) Develop buildings with complex living functions, such as residential buildings combined with transportation, shopping malls, and other retail spaces.

2. Resource Recycling Business

- (1) We carry out waste-to-resource recycling to optimize resource utilization efficiency, while also integrating the ecological chain of the resource recycling industry within the Group. By doing so, we further decrease the cost of sludge treatment of the Taoyuan North District Water Resources

Recycling Center and develop high-price high calorific value waste solvents and waste materials. We subsequently convert them into recycled fuels or recycled building materials for use within the Group's subsidiaries or sell them externally.

- (2) With the government proactive approach to promote renewable energy policies, it is hoped that the future trend of energy use will lean towards a combination of power creation, power conservation, energy storage, and smart grid applications. At Radium Life, we follow the government's policies and have carried out in-group electricity consumption inventory and resource integration planning. This helped evaluate the feasibility of our participation in the electricity trading platform and we have also begun the future carbon rights acquisition and carbon capture plans, deploying the sustainable development of energy.
3. Operating Businesses
- (1) Smart station management system and ticketing platform to strengthen the security of the station and ticketing immediacy.
 - (2) Shopping mall service software and hardware information system upgrade to optimize online live streaming, data integration and marketing platforms.
 - (3) To guild GA data analysis at the hotel, enhance website SEO settings and member attribute grouping

II. Business Plan for 2022

(I) Business objective

We create core values by making architecture our starting point. As environment and architecture is our core pursuit, we are committed to the belief that land resources belong to the public. Based on this notion, we construct buildings with public benefit in mind and incorporate our business philosophy "Innovation, Diversity, Sustainability and Co-living" into each project so that they can last for centuries. As a responsible builder, we strive to provide a quality living environment and seek joint prosperity with customers, enterprises and the social environment. Furthermore, not only do we create residential and office products, to cater to the increasing needs of an aging society, we have also entered into the "recreational and leisure housing" market. By constructing a care service system that looks after the body, mind and soul of senior citizens, we have built a new healthy lifestyle that allows senior citizens to care for themselves.

In recent years, as a means to expand the business scale in a circular economy and environmental protection industries, we have been proactively making plans to extend our operations to the Resource Recycling Business. In doing so, we are able to enhance the Group's revenue scale, business development, and profitability.

In the future, all employees of the Company will continue to identify customer needs, provide sincere service, provide utmost quality, and achieve sustainable development in line with the business philosophy of "Innovation, Diversity, Sustainability, and Co-living".

(II) Sales forecast and sales policy

The Group's revenue and profit targets for 2022 are based on the estimates of the operations of the construction business, the circular economy business, and business operations. In 2022, our construction benefits will mainly be coming from the sale of the remaining houses in the Banqiao Fu-Jou Project, joint development project of Daqiao Station and Taoyuan Qinpu Project and the stable revenue stream from Taoyuan's sewage resource recycling business. Revenue from the operating businesses: Taipei Transit Station, Q Square, and Radium-Kagaya International

Hotel have also been contributing steady revenue year on year. The stable revenues from business operations will offset the fluctuations to revenue from the construction business.

(III) Important Production and Marketing Policies

1. Production Strategy

(1) Construction Business

We follow the needs of the market and incorporate issues relating to green buildings, smart buildings, life technology, all-age services, energy saving, carbon reduction, and sustainable development into the planning of our development. Our development projects focus on joint development, dangerous old buildings, and urban renewal.

(2) Resource Recycling Business

We have developed a new portfolio of recycling waste from existing businesses to further align with new business models. In doing so, we are able to improve the efficiency of business development and plant integration. At present, we are at the preliminary stages of converting waste into recycled fuel, auxiliary fuel and buildings and production planning.

2. Sales Strategy

(1) Construction Business

A. By targeting marketing needs and changes, we make plans and position our products, while establishing diverse sales channels and setting sales target for “zero remaining houses”.

B. We aim to enhance the value of the building through placing importance on customer services after a house is sold or rent as well as property management. This way, we are able to meet the needs of the buyers and tenants. Meanwhile, we also strive for deepening the brand image through accumulated customer satisfaction and recognition.

(2) Resource Recycling Business

We produce SRF, recycled fuel, ash and sand, by reusing waste materials. Waste that is originally harmful to the environment is able to be turned into recycled building materials, on par with the spirit of environmental recycling.

III. The Company’s Future Development Strategy

(I) Dedication to the construction industry

1. Continue to strive for joint development projects and public urban renewal projects.
2. Cooperate with private land owners to develop dangerous old buildings, urban renewal projects and acquisition and sales of buildings.
3. Integrate group resources to maintain high quality of construction projects, enhance the precise control of costs to create the highest efficiency.

(II) Circular Economy Business

1. We accelerate project planning, design, construction, management, operation and R&D for circular economy-related industries and technologies. Moreover, we will also make an effort to proactively participate in the government’s bidding projects for circular economy strategies, or work with companies in other industries. By expanding participation and accelerating the development of the Group, we are at the same time deepening our corporate social responsibility.

2. We continue to integrate the power of industry and academia to strengthen the cooperation between government, industry, academia and research. Through teaming up with other operators, we aim to transform the Company towards environmental protection, safety, and high value-added development. In the meantime, we will also promote technology integration and train professional talent.

IV. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

(I) External competitive environment

In the past, the Company's products were mainly MRT joint development projects. The main goal of our products was to provide customers with multiple living functions. Given such efforts, our projects were able to deliver good sales results. In the future, we will continue to enhance the market segmentation of our products, while putting our creativity into play and launch projects that are highly competitive in the market.

The Resource Recycling Business is a new venture developed by the Group in recent years. At present, we are in discussion with a number of technology companies. We have also taken a proactive approach to evaluate alliances or mergers and acquisitions in order to shorten the learning curve and develop new business opportunities, accelerating the development of the Resource Recycling Business.

(II) Regulatory environment

In order to declare its determination to combat speculation on land and housing prices, which will increase the capital cost and challenge of the developers' development projects. The Company keeps abreast of changes in housing market policies and develops countermeasures to reduce the impact of changes in laws and policies on the Company's operations.

In addition, the Environmental Protection Administration, Executive Yuan announced in October 2021 that the "Greenhouse Gas Reduction and Management Act" will be renamed as the "Climate Change Response Act", which will incorporate "2050 net zero emission target" into the law. In a bid to plan future carbon reduction steps of Radium Life, in-group carbon inventory has been carried out. We have also set carbon reduction milestones at each stage to gradually deepen our carbon reduction measures, thoroughly implementing carbon reduction targets.

(III) Macroeconomic conditions

Moreover, the ease of policies by central banks across the world in 2021 has caused the cost of raw materials to spike and the impact of COVID1-9 has also led to labor and material shortages. In addition to higher costs in development projects in our industry, construction projects will now take longer to complete. Thanks to the well-controlled pandemic situation in Taiwan, the overall outlook for economy is more optimistic. After the housing market experienced a surge, there was an investment boom in real estate and as a result, the central bank intervened with credit controls. At the same time, the U.S. launched interest rate hikes, further impacting Taiwan's interest rate policy. The Company will make subsequent adjustments depending on the development of the pandemic and overall economic changes.

To respond to the abovementioned external competitive environment, regulatory environment and general business environment, the Company has been proactively developing towards diversified management in the hope of stabilizing profits. By

doing so, we also aim to reduce the impact of the construction boom and housing market policies on our business, enhancing the Company's ability to respond to changes in the general management environment.

Since COVID-19 emerged at the beginning of December 2019, it has made a significant impact around the world. The outbreak in Taiwan is somewhat under control thanks to the increasing vaccination coverage rate. However, there is still uncertainty in terms of the recovery of the global economy and risk awareness must be raised. Furthermore, as individual industries are impacted to a different degree, our subsidiaries must assess the length, breadth and depth of the impact according to the characteristics of the industry they operate in. By taking this approach, the impact of the pandemic on the economy and business operations is minimized and our subsidiaries will become more flexible and adaptable to various operating situations after the pandemic.

The 26th UN Climate Change Conference (COP 26) held in Glasgow in November 2021 urged countries and businesses to commit to reducing carbon emissions and gradually eliminating the use of fossil fuels. This way, governments around the world are able to achieve net zero emission by the middle of this century. Given such an idea, the Company will also follow the government's roadmap and goals for net zero carbon emissions. In the future, we will extend the scope of energy saving, develop zero-carbon buildings, resource recycling, green energy and net zero energy system transformation to reach net zero by 2050.

Finally, we wish you good health and all the best.

Company Profile

I. Date of Incorporation : 1982/3/26

II. Company History

Year	Milestones
2000/12	<ul style="list-style-type: none"> • Company shares successfully listed to the Taiwan Stock Exchange (TWSE).
2001/12	<ul style="list-style-type: none"> • Signed Contract for “Xindian Depot Joint Development Project-MEHAS” with Taipei City Government.
2002/04	<ul style="list-style-type: none"> • Completion and handover of all units for consecutive projects, including “Cultural Kyoto”, “Cultural Capital”, and “FU BI SHI”.
2003/01	<ul style="list-style-type: none"> • Issued the first domestic unsecured convertible bonds with an issuing limit of NT\$258 million and were listed for trading on the TPEX.
2003/12	<ul style="list-style-type: none"> • Signed contracts for the “Financing Assistance Agreement and Trust Deed for the MRT Joint Development Project on the land of T19 and T21 near the Yongchun Station, Bannan Line” with the Taipei City Government and Lender. • Signed a syndicated loan contract for the “Credit Contract for the MRT Joint Development Project of Yongchun Station, Bannan Line”. • Attained the right to negotiate the “T9 BOT” contract.
2004/05	<ul style="list-style-type: none"> • Established the subsidiary “Radium-Kagaya International Hotel Co., Ltd”.
2004/06	<ul style="list-style-type: none"> • Radium-Kagaya International Hotel signed joint venture contract with Kagaya Co.,Ltd.
2004/10	<ul style="list-style-type: none"> • Established the subsidiary “Wan Da Tong Enterprise Co., Ltd.” .
2004/12	<ul style="list-style-type: none"> • Wan Da Tong Enterprise Co., Ltd. signed contract for “T9 BOT” located near Taipei Station in cooperation with Taipei City Government. • Passed the ISO 9001:2000. • Issued the first overseas unsecured convertible bonds with an issuing limit of USD 20 million.
2005	<ul style="list-style-type: none"> • Completion and handover of all units for “T19 E.A.T”
2005/07	<ul style="list-style-type: none"> • Established the subsidiary “Ji Shun Life Tech. Co., Ltd.”.
2006	<ul style="list-style-type: none"> • Completion and handover of all units for “T22 E.A.T”
2006/06	<ul style="list-style-type: none"> • The subsidiary, Ji Shun Life Tech. Co., Ltd. signed contract for “Muzha Station Joint Development Project-Bond 18” with Taipei City Government. • The subsidiary, Ji Shun Life Tech. Co., Ltd. signed contract “Trust Deed for the MRT Joint Development Project on the land of T13 of Muzha Station, Wenhu Line” with a group of banks.
2006/09	<ul style="list-style-type: none"> • The company issued 70.4 million shares of common stock at a price of NT\$22.85 per share in 2006, raising NT\$1.6 billion. • The subsidiary, Wan Da Tong signed the “T9 BOT Financing Assistance Agreement and Trust Deed for the Joint Development Project” with Taipei City Government and banks.
2006/10	<ul style="list-style-type: none"> • The subsidiary, Wan Da Tong launched the “Transfer of Fixed-Term Use Rights and Lease of Land Rights for Residential and Office Assets for the Development Project of T9 BOT” – “Jing-Jan” sales Project.
2007/01	<ul style="list-style-type: none"> • Completion and handover of all units for T9 BOT of ”Jing-Jan Sales project”.
2007/04	<ul style="list-style-type: none"> • Wan Da Tong signed the “T9 BOT Credit Contract for the Joint Development Project” syndicated loan with several banks including Taiwan Cooperative Bank.
2007/08	<ul style="list-style-type: none"> • Issued the second domestic unsecured convertible bonds with an issuing limit of NT\$1.7 billion and were listed for trading on the TPEX.
2007/09	<ul style="list-style-type: none"> • The company issued 50 million shares of common stock at a price of NT\$38.5 per share in 2007, raising NT\$1.925 billion. • Established the subsidiary “Jing-Jan Retail Business Co., Ltd.”.
2007/10	<ul style="list-style-type: none"> • Launching of “Xindian Depot Joint Development Project -MEHAS” at Xiaobitan MRT Station.
2007/11	<ul style="list-style-type: none"> • Titan Construction Co., Ltd. was merged with Ji-Sheng Hydropower Engineering Co.,

Year	Milestones
	Ltd. on November 30th with Titan Construction Co., Ltd. as the surviving entity.
2008/01	<ul style="list-style-type: none"> • Signed the “Joint Credit Contract for Beitou Hot Spring Hotel Project” with 3 banks including Mega International Commercial Bank.
2008/04	<ul style="list-style-type: none"> • The subsidiary “Li-Jiang Development Co., Ltd.” was invested in and established. • The subsidiary, Ji Shun Life Tech. Co., Ltd. launched the “MRT Joint Development of Muzha Station, Wenhua Line ” – “Bond 18” sales Project.
2008/08	<ul style="list-style-type: none"> • Signed a syndicated loan agreement with 10 banks including Mega International Commercial Bank for the “Investment Contract for the MRT Joint Development of Xindian Depot, Xindian Line”
2008/09	<ul style="list-style-type: none"> • Purchase of treasury shares (9/15 - 11/11) totaling 3,698,000 shares.
2008/11	<ul style="list-style-type: none"> • Purchase of treasury shares (11/17 – 1/13) totaling 9,454,000 shares.
2009/02	<ul style="list-style-type: none"> • Signed contract for “Daqiaotou Station Joint Development Project” with Taipei City Government. • The repurchased 3,698,000 shares from the first execution of treasury shares were cancelled.
2009/08	<ul style="list-style-type: none"> • Launched “Taipei Bus Station“.
2009/12	<ul style="list-style-type: none"> • The company issued 90 million shares of common stock at a price of NT\$24.25 per share in 2009, raising NT\$2.182 billion. • Participated in Wan Da Tong’s private placement subscription of cash capital of NT\$1.300 billion. • Launched “Q Square”.
2010/06	<ul style="list-style-type: none"> • The subsidiary, Titan Construction Co, Ltd. resolved to change its name to Titan Development & Construction Co., Ltd.
2010/07	<ul style="list-style-type: none"> • Shares were issued in scripless form.
2010/09	<ul style="list-style-type: none"> • Established the subsidiary “Rih Yao Development Co., Ltd.” and secured the “Dunhua S. Rd. Police Station Creation of Superficies Project”.
2010/12	<ul style="list-style-type: none"> • The Company's independent registered public accounting firm was changed to Deloitte & Touche Taiwan. • Launched “Radium-Kagaya International Hotel”. • Established the subsidiary “Zhao-Yao Enterprise Co., Ltd.” and secured the “Fuxing Section, Daan District Creation of Superficies Project”.
2011/10	<ul style="list-style-type: none"> • Acquired ”Xin Xiu Ge Hotel Corp .,Ltd.”
2011/11	<ul style="list-style-type: none"> • Secured the “Fu-Jou Affordable Housing Project-Perfect Life” project in New Taipei City.
2011/12	<ul style="list-style-type: none"> • The Remuneration Committee was established.
2012/01	<ul style="list-style-type: none"> • 1,088 overdue shares from the second execution of treasury shares were cancelled.
2012/03	<ul style="list-style-type: none"> • Issued the third and fourth domestic unsecured convertible bonds with issuing limits of NT\$1 billion and NT\$800 million and were listed for trading on the TPEX. • The company issued 70 million shares of common stock at a price of NT\$23.2 per share in 2012, raising NT\$1.624 billion.
2012/04	<ul style="list-style-type: none"> • Signed the syndicated loan contract for “Fu-Jou Affordable Housing Project Investment Plan” with 24 banks including Bank of Taiwan.
2012/08	<ul style="list-style-type: none"> • Lots were drawn for the Fu-Jou Affordable Housing Project.
2012/09	<ul style="list-style-type: none"> • Established the subsidiary “Rih-Ding Water Enterprise Co., Ltd.”.
2012/10	<ul style="list-style-type: none"> • The subsidiary, Rih-Ding Water Enterprise Co., Ltd. signed the contract for the “Taoyuan Wastewater Sewerage System BOT Project”.
2012/12	<ul style="list-style-type: none"> • Organizational Restructuring: Jing-Jan Retail Business Co., Ltd. shares were transferred to establish Jing-Jan Investment Holding Co., Ltd., which is still 100% owned by the Company.
2013/01	<ul style="list-style-type: none"> • Organizational Restructuring: Wan Da Tong shares owned by the Company and Titan Development & Construction were used to offset the consideration for the subscription of new shares issued by Jing-Jan Investment Holding Co., Ltd.
2013/04	<ul style="list-style-type: none"> • Established the subsidiary “Rih Siang Property Management Co., Ltd.”

Year	Milestones
2013/05	<ul style="list-style-type: none"> The subsidiary, Rih Siang Property Management Co., Ltd. signed the contract of “BOT Project for New Taipei City Youth Residence Building”.
2013/12	<ul style="list-style-type: none"> Completion and handover of all units for “Xidian Depot Joint Development Project-MEHAS”.
2014/04	<ul style="list-style-type: none"> The subsidiary, Ji-Shun Life Tech Co., Ltd. acquired a joint construction of sub-houses in Qingsheng Section, Zhongli District, Taoyuan City.
2014/08	<ul style="list-style-type: none"> Acquired “PRIT Biotech Co., Ltd. to officially enter the biotech and skin care business.
2014/10	<ul style="list-style-type: none"> Purchase of treasury shares (10/21 – 12/20) totaling 1,060,000 shares.
2014/12	<ul style="list-style-type: none"> The subsidiary Ji-Shun Life Tech. Co., Ltd. acquired land in the Beishi section of Qishan District, Kaohsiung City.
2015/03	<ul style="list-style-type: none"> The repurchased 1,060,000 shares from the third execution of treasury shares were cancelled.
2015/12	<ul style="list-style-type: none"> Rih-ding Water Enterprise Co., Ltd. completed the sewage treatment facility (Phase1) of “Taoyuan Wastewater Sewerage System BOT Project”.
2016/01	<ul style="list-style-type: none"> Rih-ding Water Enterprise Co., Ltd. held an opening ceremony for the official beginning of operations of “Taoyuan Wastewater Sewerage System BOT Project”.
2016/06	<ul style="list-style-type: none"> The Board of Directors’ resolution to issue domestic private placement of unsecured ordinary corporate bonds upto NT\$2 billion. Established the subsidiary “Ri Zuan Green Energy Technology Co., Ltd.” to officially enter the renewable energy industry.
2016/07	<ul style="list-style-type: none"> The first domestic private placement of unsecured ordinary corporate bonds raised NT\$300 million. The second domestic private placement of unsecured ordinary corporate bonds raised NT\$500 million.
2017/09	<ul style="list-style-type: none"> Issued the first domestic secured ordinary corporate bonds of NT\$1 billion.
2017/10	<ul style="list-style-type: none"> Jing-Jan Investment Holding Co., Ltd. disposed of the shares of Jing-Jan Retail Business Co., Ltd. as approved by the board of directors. The board of directors resolved that the subsidiary, Jing-Jan Retail Business Co., Ltd. shall handle matters relating to its public offering. The subsidiary shall also apply for listing at a suitable time.
2017/11	<ul style="list-style-type: none"> Issued the second domestic secured ordinary corporate bonds of NT\$500 million.
2018/02	<ul style="list-style-type: none"> Jing-Jan Retail Business Co., Ltd. was approved for trading in the TPEX.
2018/03	<ul style="list-style-type: none"> Jing-Jan Retail Business Co., Ltd. began trading in the TPEX. Rih-Ding Water Enterprise Co., Ltd. attained certification as an environmental education facility.
2018/08	<ul style="list-style-type: none"> The registration of the Zhunan factory owned by PRIT Biotech Co., Ltd. was approved.
2018/09	<ul style="list-style-type: none"> Wan Da Tong Enterprise Co., Ltd. passed the application of “Subsidy Program for Smart City and Rural Living Application - Integrated ticketing with mobile payment service” by the Industrial Development Bureau, (MOEA).
2019/01	<ul style="list-style-type: none"> Established the subsidiary “Ding-Sheng Green Energy Technology Co., Ltd.”.
2019/05	<ul style="list-style-type: none"> Established the subsidiary “Wan-Tong Digital Technology Co., Ltd.”. The Zhunan factory owned by PRIT Biotech Co., Ltd. attained the ISO22716 certification.
2019/06	<ul style="list-style-type: none"> The Audit Committee was established.
2019/08	<ul style="list-style-type: none"> Wan Da Tong Enterprise Co., Ltd. launched the “Taipei Bus Station Smart Ticket Platform APP”.
2020/02	<ul style="list-style-type: none"> Titan Development & Construction signed the contract for “Urban Renewal Project for the Old Dormitory Area East of Kaohsiung Railway Station“ with Taiwan Railways Administration.
2020/03	<ul style="list-style-type: none"> Launched “Q square Xiaobitan in MEHAS” which is managed by Jing-Jan Retail Business Co., Ltd. Purchase of treasury shares (3/13 – 5/12) totaling 12,313,000 shares.

Year	Milestones
2020/05	<ul style="list-style-type: none"> Wan Da Tong Enterprise Co., Ltd. completed the project consultancy for the "Pilot Project on Promoting the Integrated Passenger Register Service for Passenger Ships" by the Maritime Port Bureau, Ministry of Transportation and Communications.
2020/07	<ul style="list-style-type: none"> The repurchased 12,313,000 shares from the fourth execution of treasury shares were cancelled.
2020/09	<ul style="list-style-type: none"> Ding-Sheng Green Energy Technology Co., Ltd., established a project company "Jingding Green Energy Technology Co. Ltd.," signed the contract with the Industrial Development Bureau, MOEA for the "Build-Operate-Transfer (BOT) Project of Resource Processing Center in Changhua Coastal Industrial Park by Industrial Development Bureau, Ministry of Economic Affairs".
2020/10	<ul style="list-style-type: none"> Established an "Employee Stock Ownership Plan" for the employees of Radium Life Tech Co. and its subsidiaries.
2020/11	<ul style="list-style-type: none"> The 2-year (2018.7-2020.6) project "Subsidy Program for Smart city and Rural Living Application-Integrated ticketing with mobile payment service" proposed by the Industrial Development Bureau, MOEA was completed by Wan Da Tong Enterprise Co., Ltd.
2020/12	<ul style="list-style-type: none"> Rih-ding Water Enterprise Co., Ltd. completed the second phase of the Taoyuan Wastewater Sewerage System BOT Project. Ji-Shun Life Tech. Co., Ltd. and the Taichung City Government signed contracts for the "The Land Development Project of WuRi WenXin BeiTun Line G6 and G8a Station of TaiChung Mass Rapid Transit Systems".
2021/02	<ul style="list-style-type: none"> Signed the contract for the urban renewal project for Lot 246, Subsection 2 Gongyuan Section, Zhongzheng Dist., Taipei City with Cathay United Bank Company Ltd., and other landowners.
2021/08	<ul style="list-style-type: none"> Radium, Ji-Shun Life Tech. Co., Ltd. and the Taichung City Government signed contracts for the "The Land Development Project of WuRi WenXin BeiTun Line Nantun Station of TaiChung Mass Rapid Transit Systems".
2021/12	<ul style="list-style-type: none"> Purchase of treasury shares (12/27/2021-2/23/2022) totaling 20,000,000 shares.
2022/02	<ul style="list-style-type: none"> Radium Group and CTCI Group formed the "RADIUM and CTCI Alliance" and participated in Taoyuan City Government's "Reclaimed Water BTO Project of North District Water Resources Recycling Center in Taoyuan" and was selected as the top applicant.
2022/03	<ul style="list-style-type: none"> The repurchased 20,000,000 shares from the fifth execution of treasury shares were cancelled.

Awards Received by the Group

Year	Awards
1999	<ul style="list-style-type: none"> Ranked by Commonwealth Magazine (CW) magazine as 510th in the 1000 largest companies within the service industry and 16th in 50 top companies in terms of revenue.
2000	<ul style="list-style-type: none"> Ranked by CW Magazine as 461th in the 1000 largest companies within the service industry and 19th in 50 top companies in terms of revenue.
2001	<ul style="list-style-type: none"> Ranked by CW Magazine as 378th in the 1000 largest companies within the service industry and 15th in 50 top companies in terms of revenue.
2004	<ul style="list-style-type: none"> Awarded National Golden Award for Architecture. Ranked by CW Magazine as 252th in the 1000 largest companies within the service industry and 44th in 50 top companies in terms of revenue.
2005	<ul style="list-style-type: none"> Awarded "National Golden Award for Architecture", "Chinese Golden Stone Award for Architecture" and "Golden Head Award".
2006	<ul style="list-style-type: none"> The "T9 BOT" project awarded the Top Honor of "FIABCI-Taiwan Real Estate Excellence Awards". The "MEHAS" Project awarded "FIABI-Taiwan Real Estate Excellence Awards". The "Bond 18" Project awarded "the Gold Award of FIABCI-Taiwan Real Estate

Year	Awards
	Excellence Awards”.
2007	<ul style="list-style-type: none"> The “MEHAS Project” awarded “Chinese Golden Stone Award for Architecture” in the category of Best Planning & Design and “Golden Head Award” in MRT - Joint Development Category.
2008	<ul style="list-style-type: none"> Wan Da Tong Enterprise Co., Ltd., was ranked by China Credit Information Service Ltd. as 2nd “Best Managed Corporation” among the Top 5000 enterprises.
2009	<ul style="list-style-type: none"> Ranked by the China Credit Information Service Ltd. as 22th “Best Managed Corporation” among the Top 5000 enterprises.
2010	<ul style="list-style-type: none"> Received “Golden Peak Award for Corporate Excellence”. Ranked by CW Magazine as 100th in the 1000 largest companies within the service industry and 17th in 50 top companies in terms of revenue. Titan Development & Construction, Jing-Jan Retail Business & Radium- Kagaya International Hotel each received an award recognizing their valuable contribution to job creation. Ranked by China Credit Information Service Ltd. as 3rd “Best Managed Corporation” among the Top 5000 enterprises.
2011	<ul style="list-style-type: none"> Taipei Bus Station received the ITS Application Award from the “Intelligent Transport Society of Taiwan”. The “MEHAS” Project awarded “FIABCI-Taiwan Real Estate Excellence Awards” in the category of Best Planning & Design for Commercial building. The “T9 BOT” project awarded the management quality Award for “FIABCI-Taiwan Real Estate Excellence Awards”.
2012	<ul style="list-style-type: none"> The “Fu-Jou Affordable Housing Project - Perfect Life” awarded “FIABCI-Taiwan Real Estate Excellence Awards” in the category of Best Planning & Design. Wan Da Tong Enterprise Co., Ltd. awarded the 5th “Golden Energy Saving Award” by Taipei City Government. The “Fu-Jou Affordable Housing Project - Perfect Life” awarded the National Golden Award for Architecture in the category of excellent design - Taiwan Construction Company of Integrity, Golden Award, Golden Lion Award, and Judges’ Preference Award.
2013	<ul style="list-style-type: none"> Jing-Jan Retail Business Co., Ltd awarded with the 11th Golden Torch Award “Top 10 Enterprises” and the Top 10 Outstanding Managers Award of the Year conferred by the “Outstanding Enterprise Manager Association”. Xindian Depot Joint Development Project of the MRT Xindian Line was awarded the Silver Grade Green Building Label Certificate by the Ministry of the Interior. Wan Da Tong Enterprise Co., Ltd. and Jing-Jan Retail Business Co., Ltd. were awarded the 1-star award at the “2013 Award for Best Companies to Work for” by the Department of Labor, Taipei City Government.
2014	<ul style="list-style-type: none"> Radium-Kagaya International Hotel awarded the “2014 Taipei City Best Hotel and Staff Award”. Taoyuan Wastewater Sewerage System BOT Project awarded the National Golden Award for Architecture, Golden Lion Award in the Planning & Design category, and Taiwan Construction Company of Integrity.
2015	<ul style="list-style-type: none"> “T9 BOT” project awarded with the “Distinguished Safe Building Award”.
2016	<ul style="list-style-type: none"> Wan Da Tong Enterprise Co., Ltd. awarded with “Taipei City Government Department of Transportation - Energy Saving Award” PRIT Biotech Co., Ltd. awarded with the “SNQ National Quality Certificate”.

Year	Awards
2017	<ul style="list-style-type: none"> • Radium-Kagaya International Hotel awarded the “2017 Distinguished Hotel Award”. • “New North Youth Social Housing i Go Home Zhonghe” awarded the Gold Award of FIABCI-Taiwan Real Estate Excellence Awards • “New North Youth Social Housing i Go Home Sanchong 3” awarded the Gold Award of FIABCI-Taiwan Real Estate Excellence Awards • Taoyuan Wastewater Sewerage System BOT Project awarded the Silver Green Building Label Certificate by the Ministry of the Interior. • The Youth Residence building in Sanchong by Rig Siang Property Management Co., Ltd. awarded the Green Building Certificate of Gold by the Ministry of the Interior. • New Taipei City Youth Residential Shops and Assembled Residences in Zhonghe, awarded the Gold Class Green Building Mark Certificate by the Ministry of the Interior. • The Youth Residence building in Stanching District, awarded the Gold Class Green Building Mark Certificate by the Ministry of the Interior.
2018	<ul style="list-style-type: none"> • Fu-jou affordable residential shops and assembled residences awarded the Diamond Grade Green Building Label Certificate by the Ministry of Interior. • Radium-Kagaya International Hotel awarded the “16th Global Views Monthly Five-Star Service Awards”. • Radium-Kagaya International Hotel selected as a Michelin Guide recommended hotel in Taipei.
2019	<ul style="list-style-type: none"> • Radium Group awarded the "2019 Best Companies to work for". • Fu-jou affordable residential shops and assembled residences awarded the Diamond Grade Community Green Building Label Certificate by the Ministry of Interior. • Fu-jou affordable residential shops and assembled residences awarded the Bronze Grade Smart Building Label by the Ministry of the Interior.
2020	<ul style="list-style-type: none"> • Daqiaotou Station Joint Development Project, MRT awarded the Silver Green Building Label Certificate by the Ministry of the Interior. • The "Radium's New Q Square" by Ji-Shun Life Tech. Co., Ltd. awarded the 2020 Golden Lion Award in the Planning and Design category. • Ji-Shun Life Tech. Co., Ltd. awarded the Golden Award in the 2020 National Outstanding Builder Awards. • Ji-Shun Life Tech. Co., Ltd. awarded the National Construction Gold Award - Taiwan Integrity Brand Triple Crown Certificate. • Radium Life Tech Co. awarded the Healthy Workplace Activation Certificate by the Ministry of Health and Welfare. • Radium-Kagaya International Hotel awarded the 2020 Taiwan Service Industry Awards - Gold Medal in Hotel Industry (Leisure and Resort). • Radium-Kagaya International Hotel awarded the 2020 Tourism Hotel Safety and Security Inspection Excellence Award. • Jing-Jan Retail Business Co., Ltd. awarded the 3rd " Best Reviewed Online Awards" (in relation to department stores in 2020 (IWOM Star - Internet Word of Mouth Star).
2021	<ul style="list-style-type: none"> • Radium Group awarded the “2021 TCSA Sustainability Report - Silver Award” from the TAISE. • Radium Group awarded the “2021 Best Companies to work for “. • Radium-Kagaya International Hotel awarded the “2021 Taiwan Service Industry Awards - Gold Medal in Hotel Industry (Leisure and Resort)”. • Radium-Kagaya International Hotel awarded the “2021 Tourism Hotel Safety and Security Inspection Excellence Award”. • Taoyuan Wastewater Sewerage System BOT Project awarded the Ministry of Finance’s 19th Golden Thumb Awards for Private Participation in Infrastructure Projects. • “Longtan Lake Water Quality Improvement and Water Environment Engineering Project” of Titan Development and Construction awarded "The 21th Public Construction Golden Quality Award - Facilities Category" of the public construction commission, Executive Yuan and the 5th Public Construction- Facilities Category by the Taoyuan City Government.

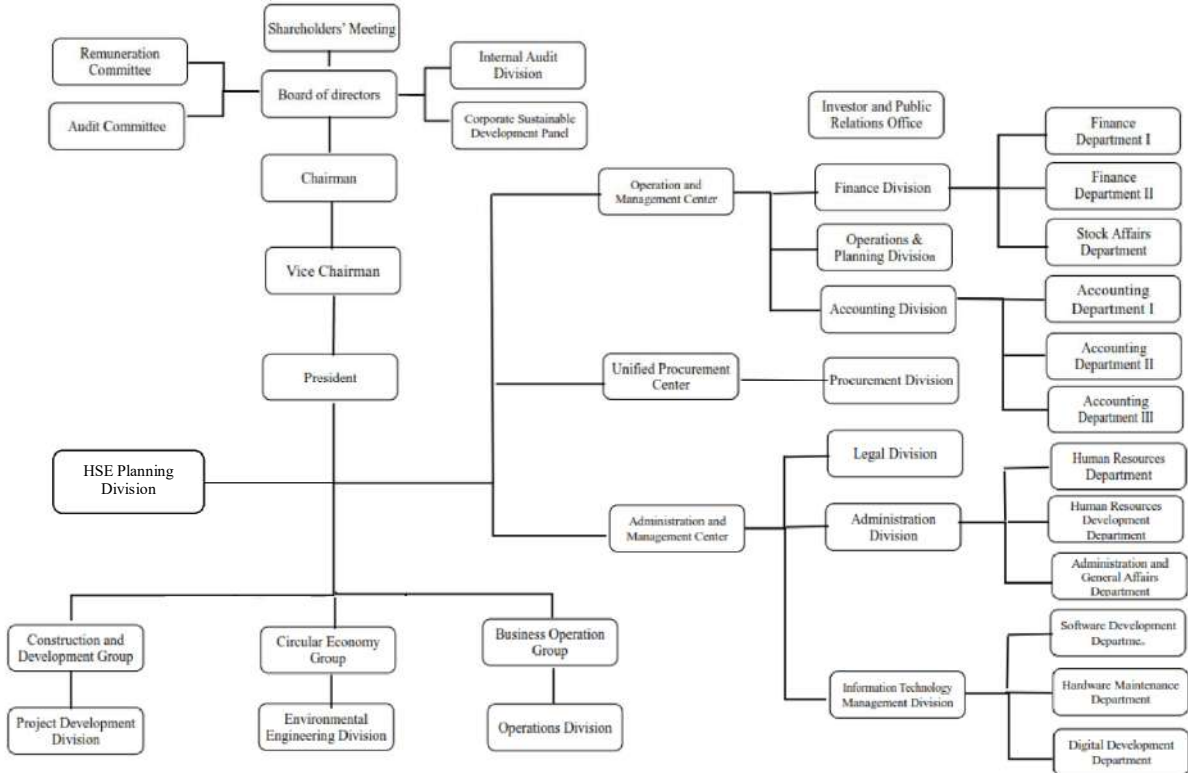
Year	Awards
	<ul style="list-style-type: none"> • Ji Shun Life Tech's Le Tau Chu Senior Happiness Home-Zhonghe awarded the SNQ award in the Long-term Care category / Enterprise Service Group. • PRIT BIO's "Peptide Repairing Serum" awarded Symbol of National Quality (SNQ) -Cosmetics / Functional Care Product category. • Wan Da Tong Enterprise Co., Ltd. awarded the "2021 Highway Public Transport Planning Competition" in the Social group from Directorate General of Highways.

Corporate Governance Report

I. Organization

(I) Organizational Chart

Approved by the Board of Directors on March 8, 2022



(II) Business of Major Segment

Unit	Division Level	Department Level	Functions
Internal Audit Division			Assist the Board of Directors and managerial officers to check and review the deficiencies of the internal control system, measure the effectiveness and efficiency of operations, and provide timely improvement suggestions to ensure the continuous and effective implementation of the internal control system and serve as the basis for review and revision of the internal control system.
HSE Planning Division			Proposes HSE policies and objectives, formulates HSE benchmarks, plans for HSE management systems for all levels, audits and guides the implementation of the HSE management, and addresses potential risks and improvement measures.
Operation and Management Center	Investor and Public Relations Office		Establish a continuous communication platform with the media and investors, truthfully convey the corporate strategy concept, business policy and future planning, properly handle and respond to external concerns, in order to establish long-term mutual trust and effective communication channels, and maintain the corporate brand image.
	Finance Division	Finance Department	Financial management and fund deployment
		Stock Affairs Department	Capital market fundraising, Board of Directors and shareholder meeting agenda, corporate governance-related affairs, share management and information announcement.
	Operations & Planning Division		Integration and decision-making follow-up for operational strategy goals, operation performance analysis and improvement suggestions.
	Accounting Division	Accounting Department	Establishment and implementation of accounting system, accounting and taxation, preparation of financial statements, and handling of announcement matters pursuant to laws and regulations.
Unified Procurement Center	Procurement Division		Carry out procurement and outsourcing business, product building materials, supplier development appraisal, and vendor documentation and management.
Administration and Management Center	Legal Division		Review and revision of contracts and legal documents, application of laws and regulations, and consultation of questions about contract performance.
	Administration Division	Human Resources Department	System planning and management of recruitment, selection, use, education and retention, and maintenance of employee relations.
		Human Resources Development Department	Talent cultivation plan and training development plan, and related execution.
		Administration and General Affairs Department	General affairs, fixed asset system planning and management, expense control and holding company events.
	Information Technology Management Division	Software Development Department	Development and maintenance of internal software systems and software project planning and execution.
		Hardware Maintenance Department	Information communication resource planning and equipment procurement, software and hardware equipment installation and maintenance.
		Digital Development Department	Development, planning, and analysis of digital information technology.
Construction and Development Group	Project Development Division		Supervises and manages the operation and project management of building business; supervises and manages the operation and project costs of construction business.
Circular Economy Group	Environmental Engineering Division		Supervision and management of the operation, development and project management of the domestic and foreign resource circulation business.
Business Operation Group	Operations Division		Supervision and management of operating businesses, and assistance in planning operations for business expansion and development.

II. Information on the company's directors, supervisors, president, assistant presidents, deputy assistant presidents, and the supervisors of all the company's divisions and branch units

(I) Directors

1. Information of Directors

March 31, 2022; Unit: shares

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Age, Experience (Education)	Other Position	Executives, Directors, or Supervisors Who are Spouse or Within Two Degrees of Kinship		
							Shares	(%)	Shares	(%)	Shares	(%)	Shares	(%)			Shares	(%)	Title
Chairman	Republic of China	Lin Rong Shian (Note 1)	Male	2019.06.24	3	1994.09.07	109,492,331	12.24%	110,524,167	12.56%	22,104,781	2.51%	58,223,051	6.62%			Special Assistant Vice Chairman Administration and Management Center Director Group President	You Wan Ying Lin Hua Chun Lin Yi Chun	Spouse 1st degree of kinship 1st degree of kinship
Vice Chairman	Republic of China	Lin Hua Chun (Note 2)	Male	2019.06.24	3	2013.06.19	6,148,786	0.69%	6,271,761	0.71%	5,435,695	0.62%	—	—			Chairman	Kerwin Go	1st degree of kinship
Institutional Director	Republic of China	Chang Xin Investment Development Co., Ltd.	—	2019.06.24	3	2007.05.28	34,303	0.00%	34,989	0.00%	—	—	—	—	(Note 3)		Special Assistant Administration and Management Center Director Group President	Lin Rong Shian You Wan Ying Lin, Yi-Chun	1st degree of kinship 1st degree of kinship 2nd degree of kinship
Representative of institutional shareholder	Republic of China	Shen Ching Peng	Male	2019.06.24	3	2013.06.19	277,299	0.03%	282,844	0.03%	1,156	0.00%	—	—			—	—	—
	Republic of China	Liu Yao Kai	Male	2019.06.24	3	2008.11.14	299,934	0.03%	305,932	0.03%	159,422	0.02%	—	—			—	—	—
	Republic of China	K. C. Chou	Male	2019.06.24	3	2016.06.24	—	—	—	—	—	—	—	—			—	—	—
Independent Director	Republic of China	Lu Shyue Ching	Male	2019.06.24	3	2016.06.24	—	—	—	—	—	—	—	—			—	—	—
	Republic of China	Pan Wei Ta	Male	2019.06.24	3	2019.06.24	—	—	—	—	—	—	—	—			—	—	—

Note 1: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereto, (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

The Chairman of the Company also serves as the Chief Executive Officer, to improve operating efficiency and decision-making execution. The Chairman directly communicates with the directors of the Company's operating overview, strategic objectives, and other information. The Company's current specific measures are as follows:

(1) The current three independent directors are specialized in operation management of finance, law, information/communication, and provide professional insights, share practices experience and many valuable suggestions from their abundant practical experience, for effective performing their supervisory function.

(2) The Audit Committee and the Remuneration Committee have implemented relevant regulations, fully discuss in each meeting and made recommendations for the Board of Directors as reference, in order to enable the Board of Directors to comply with laws and regulations, the Articles of Incorporation or the resolutions of the shareholders' meeting to exercise its authorities, thereby strengthening and implementing corporate governance.

Note 2: Director Lin Hua-Chun was elected as vice chairman on March 26, 2021.

Note 3: Major experience (education) and positions concurrently serving in the Company and other companies

Title	Name	Age	Experience (Education)	Other Position
Chairman	Lin Rong Shian	71~80	Ping Tung Industrial Vocational High School Chairman and Chief Executive Officer, Radium Life Tech	Chief Executive Officer of Radium Life Tech; Chairman of Wan Da Tong, Jing-Jan Investment Holding, Rih Ding Water Enterprise, Rih Siang Property Management, Prit Biotech, Rih Zuan Green Energy, Jing Ding Green Energy, Li Chiang Development, Rih Yao Development, Zhao Yao Enterprise, Xin Xiu Ge Hotel, Radium Far East, Golden Century, and Radium Foundation. Director of Jing-Jan Retail Business, Ji Shun Life Tech, Ji Sheng Zih Chan Development, Ding Sheng Green Energy, Rih Ding Circular Econ Inv Hldg.
Vice Chairman	Lin Hua Chun	31~40	Master, Graduate Institute of Construction Engineering and Management of National Central University Bachelor, Business Administration, University of Southern California Business President, Radium Life Tech	Vice Chief Executive Officer and Group President of Radium Life Tech; President of Jing Ding Green Energy Director of Titan Development and Construction, Ding Sheng Green Energy, Rih Ding Circular Econ Inv Hldg, Zhao Ya Enterprise, Li Chiang Development, Xin Xiu Ge Hotel and Jing Ding Green Energy. Supervisor of Wan Da Tong, Radium-Kagaya, Ji Shun Life Tech, Ji Sheng Zih Chan Development, Prit Biotech, Jing-Jan Investment Holding, Rih Yao Development, Jing-Jan Digital Square, Rih Zuan Green Energy, and Jing Yang Apartment.
Representative of institutional shareholder	Shen Ching Peng	81~90	Master, Graduate School of Civil Engineering, University of Texas, Austin Director-General, Ret-Ser Engineering Agency Chairman, RSEA Engineering Corporation	Senior Vice Chief Executive Officer, Radium Life Tech Chairman of Ding Sheng Green Energy and Rih Ding Circular Econ Inv Hldg Director of Rih Yao Development, Rih Ding Water Enterprise, and Jing Ding Green Energy
	Liu Yao Kai	61~70	MBA, National Cheng Chi University National Taiwan College of Arts Business President, Radium Life Tech	Interim President and Group President, Radium Life Tech Chairman of Ji Shun Life Tech; Person in Charge of Chang Xin Investment Director of Rih Siang Property Management, Rih Yao Development, Zhao Yao Enterprise, Radium Far East, J and i Sheng Zih Chan Development Supervisor of Xin Xiu Ge Hotel
Independent Director	K. C. Chou	71~80	University of St. Thomas Master of International Management Chairman, Concord Securities Corp. President, Capital Securities Corporation Vice President and Manager of Listing Department, TPEx Vice Manager of Listing and Trading Department, TWSE	Chairman and President, IROC Co., Ltd. Independent Directors of CCP Connection Platform, Inc., and Orient Pharma Co., Ltd. Representative of institutional shareholder of Taichung Commercial Bank Securities, Chang Wah Electromaterials Inc, Super Dragon Technology, ATrack Technology Inc., TSH Biopharm and JMC Electronics Co., Ltd.
	Lu Shyue Ching	71~80	Managing Director, Telecommunication Laboratories, Dept. of Post and Telecommunication, MOTC Deputy Director General, Directorate General of Telecommunication, MOTC President, Chung Hwa Telecom, Co. Ltd.	Independent Director, MiTAC Holdings Corp. and Delta Electronic Inc. Director, CTCI Advanced Systems Representative of institutional shareholder of Sercomm Corp. and XRSpace Co., Ltd.
	Pan Wei Ta	61~70	JD, University of Nebraska Dean, School of Law, Soochow University Dean, Department of Law, Soochow University	President, Soochow University Professor, Department of Law, Soochow University Independent Directors, Sinopac Financial Holdings Co., Ltd. and Quanta Computer Inc.

2. In the case of the representative of an institutional shareholder, the name of the institutional shareholder and the names of its 10 largest shareholders (and the holding percentage of each) shall be noted:

March 31, 2022

Name of institutional shareholder	Major shareholders of institutional shareholder	
	Name	Shareholding Ratio
Chang Xin Investment Development Co., Ltd.	Liu Yao Kai	50.00%
	Ding Sheng Digital Life Co., Ltd.	50.00%

Major Shareholders of institutional shareholder

Name of institutional shareholder	Major shareholders of institutional shareholder	
	Name	Shareholding Ratio
Ding Sheng Digital Life Co., Ltd	Jun-An Construction Development Co., Ltd.	43.36%
	Lee White Corporation	25.44%
	Chic Stuff Incorporated	20.70%
	Jin-Hua-Tai Investment Co., Ltd.	10.50%

3. Professional qualifications of directors and information disclosure of independence of independent directors:

Criteria Name	Academic Background	Professional qualifications and experiences	Suitability / independence status	Number of other public companies concurrently serving as an independent director
Chairman Lin Rong Shian	Construction project	He has the ability to lead, make decisions and judgments about operations, as well as business management and crisis management competence. He has a deep understanding about the Company's industry and a sharp and decisive business judgement that has led the Company through crises time after time, shaping today's diversified Radium Life Group.	1. He has an employee status; 2. He has not been a person of any conditions defined in Article 30 of the Company Act.	—
Vice Chairman Lin Hua Chun	Construction management	He has the ability to make judgments about operations and international market view; followed the step of predecessors to begin the succession model. He has received comprehensive training to accumulate more professionalism and experience, aiming for the objective of sustainable development.		—

Criteria Name	Academic Background	Professional qualifications and experiences	Suitability / independence status	Number of other public companies concurrently serving as an independent director
Director Shen Ching Peng	Civil engineering	He has the ability to lead, make decisions and judgments about operations as well as business management competence. He has completed high-quality building products through his experience in multiple national construction projects.	1. He has an employee status; 2. He has not been a person of any conditions defined in Article 30 of the Company Act.	—
Director Liu Yao Kai	Business management	He has the ability to make decisions and judgments about operations as well as business management competence. He has been able to create extraordinary performance for the Company with his many years of experience in marketing and management.		—
Independent Director K. C. Chou	International business management	He has accounting and financial expertise, as well as extensive experience in the capital market with his professionalism in securities and financial affairs. He has served as a chairman of a listed company for a number of years and has accumulated strong operational management and leadership experience.	The person, their spouses and second-degree relatives met the following conditions during the two years prior to and during their term of service: 1. Not serving as a director, supervisor or employee of the Company or its affiliates;	2
Independent Director Lu Shyue Ching	Electrical engineering	He has extensive and professional experience in cyber/communications. With his many years of serving as a chairman of a listed company, he has accumulated strong operational management and leadership experience.	2. Not holding any of the Company's shares; 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (as defined in Article 3,	2

Criteria Name	Academic Background	Professional qualifications and experiences	Suitability / independence status	Number of other public companies concurrently serving as an independent director
Independent Director Pan Wei Ta	Law	He is an expert in the field of law and has strong management and leadership experience. With his expertise in management and leadership experience, he is able to provide his insights to the Company and share his practical experience and valuable advice.	Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); 4. Amount of remuneration received for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years did not exceed NT\$500,000; 5. Not been a person of any conditions defined in Article 30 of the Company Act.	2

4. Diversity and independence of Board of Directors

(1) Diversity policy and goal

In an effort to strengthen corporate governance and promote the sound development of the structure of the Board of Directors, the Board meeting held on January 13, 2016 approved to formulate the “Policy for Diversity of Board Members”. The Policy specifies that, upon evaluating Board candidates, aspects of diversity of Board members will be taken into account, including but not limited to their gender, age, culture and educational background, race, professional experience, skills, knowledge and terms of service. The Company’s “Corporate Governance Best-Practice Principles” sets forth that the Board of Directors as a whole shall be equipped with 8 major abilities, including the ability to make judgement about operations and accounting and financial analysis, business management, crisis handling, industry knowledge, international market view, leadership and decision-making competence. Also, an appropriate policy on diversity shall be proposed based on the Company’s business based on the company's business operations, operating dynamics, and development needs. Combining the above concepts, the Company has set different professional backgrounds as the target to measure the diversity of the Board of Directors.

(2) Implementation of diversity for Board members

Diversification Item	Nationality	Sex	As part-time employee	Age			Independent director Service year (seniority)		Professional experience and skills											
				31 to 50	51 to 70	71 and above	Less than three years	3 to 9 years	More than 9 years	Operational judgment	Accounting analysis	Operation and management	Crisis management	Industrial knowledge	International market view	Leadership	Decision-making ability			
Director Name																				
Lin Rong Shian	Republic of China	Male	✓		✓						✓			✓			✓			✓
Shen Ching Peng	Republic of China	Male	✓		✓						✓			✓			✓			✓
Liu Yao Kai	Republic of China	Male	✓	✓							✓			✓			✓			✓
Lin Hua Chun	Republic of China	Male	✓	✓							✓			✓			✓			✓
K. C. Chou	Republic of China	Male			✓				✓					✓			✓			✓
Lu Shyue Ching	Republic of China	Male			✓				✓					✓			✓			✓
Pan Wei Ta	Republic of China	Male		✓					✓					✓			✓			✓

(3) Independence of Board of Directors

Among the directors of the Company's current (9th) Board, 3 independent directors account for 42.86% of the Board; among 4 other directors, only 2 directors are second-degree relatives, accounting for 28.57% of the Board, meeting the requirements set forth in Article 26-3-3 and 4 of the Securities and Exchange Act.

(4) Specific target achievement

The current 9th Board of Directors has professional backgrounds in different fields such as industry, engineering, finance, law and other fields required by the Company, as well as the knowledge, management, and skills that are generally required to perform their duties. The Company has achieved the target of the diversity of the Board of Directors, as explained below

The directors of the 9th Term include four directors, namely Mr. Lin Rong Shian, Shen Ching Peng, Liu Yao Kai, and Lin Hua Chun, and three independent directors, namely K. C. Chou, Lu Shyue Ching, and Pan Wei Ta. Each director owns the ability to lead, ability to make policy decisions, ability to make operational judgments, ability to conduct management administration and crisis management, and has international market view and risk management competence. These directors has major professional backgrounds in their own respective areas. For example, 2 directors are equipped with engineering background (28.5%), 1 with marketing expertise (14.3%), one with international business management background (14.3%), one with financial expertise (14.3%), one with communications expertise (14.3%) and one with academic background in law (14.3%). Four of the directors concurrently serve as the Company's employees (accounting for 57.14%); they deeply

understand the Company's industry and operations and may communicate with the independent directors for judgement and efficient of the decision-making. Among three independent directors(accounting for 42.86%), Mr. K. C. Chou has abundant practical experience in the capital market, and is familiar with security finance. Mr. Lu Shyue Ching is very experienced and professional in information and communication field. Both of them have served as chairmen of public listed companies for many years. Mr. Pan Wei Ta is the President of Soochow University, and an experienced legal professional. All three independent directors now also concurrently serve as directors/independent directors of many public listed companies and very experienced in management and leadership. They listen to the reports from managerial officers and furnish professional insights, share practical experience and advices. They are helpful to the Company's operation and development.

Achievement for specific targets is as follows:

Item	Management Targets	Achievement
1	Number of independent directors exceeds one-third of the number of total directors	Achievement target
2	The term of service of independent directors has not exceeded 3 terms	Achievement target
3	Not more than one-third independent directors are from the same backgrounds	Achievement target

(II) President, assistant presidents, deputy assistant presidents, and the supervisors of all the company's divisions and branch units:

March 31, 2022; Unit: shares

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangements		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	(%)	Shares	(%)	Shares	(%)			Position	Name	Relation
Chief Executive Officer	Republic of China	Lin Rong Shian (Note 1)	Male	2005.06.22	110,524,167	12.56%	22,104,781	2.51%	58,223,051	6.62%			Special Assistant Vice Chief Executive Officer and Group President Administration and Management Center Director	You Wan Ying Lin Hua Chun	Spouse 1st degree of kinship
Senior Vice Chief Executive Officer	Republic of China	Shen Ching Peng	Male	2008.10.08	282,844	0.03%	1,156	0.00%	—	—			—	Kerwin Go	1st degree of kinship
Vice Chief Executive Officer, Group President, and Unified Procurement Center President	Republic of China	Lin Hua Chun	Male	2014.04.01	6,271,761	0.71%	5,435,695	0.62%	—	—			Chief Executive Officer Special Assistant Administration and Management Center Director	Lin Rong Shian You Wan Ying Lin Yi Chun	1st degree of kinship 1st degree of kinship 2nd degree of kinship
Interim President and Group President	Republic of China	Liu Yao Kai	Male	2007.03.16	305,932	0.03%	159,422	0.02%	—	—			—	Kerwin Go	2nd degree of kinship
Group President and Operation and Management Center President	Philippines	Kerwin Go	Male	2008.01.01	441,264	0.05%	10,484,602	1.19%	—	—	(Note 3)		Administration and Management Center Director Chief Executive Officer Special Assistant Vice Chief Executive Officer and Group President	Lin Yi Chun Lin Rong Shian You Wan Ying Lin Hua-Chun	Spouse 1st degree of kinship 1st degree of kinship 2nd degree of kinship
Administration and Management Center Director	Republic of China	Lin Yi Chun	Female	2008.01.01	6,407,833	0.73%	4,518,033	0.51%	—	—			Group President Chief Executive Officer Special Assistant Vice Chief Executive Officer and Group President	Kerwin Go Lin Rong Shian You Wan Ying Lin Hua Chun	Spouse 1st degree of kinship 1st degree of kinship 2nd degree of kinship
Special Assistant	Republic of China	You Wan Ying	Female	1992.07.01	22,104,781	2.51%	110,524,167	12.56%	—	—			Chief Executive Officer Vice Chief Executive Officer and Group President Administration and Management Center Director	Lin Rong Shia Lin Hua Chun Lin Yi Chun	Spouse 1st degree of kinship 1st degree of kinship

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangements		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	(%)	Shares	(%)	Shares	(%)			Position	Name	Relation
Division Head Environmental Engineering Division	Republic of China	Liu Chug Chun (Note 2)	Male	2022.01.07	—	—	—	—	—	—	(Note 3)	—	—	—	
Vice President	Republic of China	Tsai Chin Tsai	Male	2008.03.01	563,699	0.06%	3,289	0.00%	—	—		—	—	—	—
Vice President, Administration and Management Center	Republic of China	Henry Tsao (Note 2)	Male	2009.08.01	298,921	0.03%	38,350	0.00%	—	—		—	—	—	—
Vice President, Finance Division (Corporate governance officer and finance officer)	Republic of China	Tina Chen	Female	2006.01.01	357,768	0.04%	—	—	—	—		—	—	—	—
Vice President, Project Development Division	Republic of China	Mei Yung Ho	Male	2017.06.01	32,923	0.00%	54,015	0.01%	—	—		—	—	—	—
Vice President, Internal Audit Division	Republic of China	Wang Po Chien	Male	2020.11.13	2,289	—	—	—	—	—		—	—	—	—
Vice President HSE Planning Division	Republic of China	Daniel Ting (Note 2)	Male	2022.03.09	—	—	—	—	—	—		—	—	—	—
Associate Vice President, Information Technology Management Division	Republic of China	Kevin Yang	Male	2014.06.01	110	0.00%	—	—	—	—		—	—	—	—
Associate Vice President, Engineering Management Division	Republic of China	Lee Chun Hung	Male	2015.03.16	—	—	—	—	—	—		—	—	—	—
Associate Vice President, Accounting Division (Accounting officer)	Republic of China	Rita Liu	Female	2009.12.15	168,448	0.02%	—	—	—	—		—	—	—	—
Associate Vice President, Legal Division	Republic of China	Lee Chia Hui	Female	2019.01.01	—	—	—	—	—	—		—	—	—	—
Associate Vice President, Investor and Public Relations Office	Republic of China	Christine Chen	Female	2019.05.13	—	—	—	—	—	—		—	—	—	—

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	(%)	Shares	(%)	Shares	(%)			Shares	(%)	Position
Associate Vice President, Administration Division	Republic of China	Su Chen Shih	Male	2020.01.01	20,400	—	—	—	—	—	(Note 3)	—	—	—	—

Note 1: Where the president or person of an equivalent post (the highest level manager) of a company and the chairman are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures (e.g. adding seats of independent directors and the majority of directors do not serve concurrently as employees or managerial officers) adopted in response thereto.

The Chairman of the Company also serves as the Chief Executive Officer, to improve operating efficiency and decision-making execution. The Chairman directly communicates with the directors of the Company's operating overview, strategic objectives, and other information. The Company's current specific measures are as follows:

(1) The current three independent directors are specialized in operation management of finance, law, information/ communication, and provide professional insights, share practices experience and many valuable suggestions from their abundant practical experience, for effective performing their supervisory function.

(2) The Audit Committee and the Remuneration Committee have implemented relevant regulations, fully discuss in each meeting and made recommendations for the Board of Directors as reference, in order to enable the Board of Directors to comply with laws and regulations, the Articles of Incorporation or the resolutions of the shareholders' meeting to exercise its authorities, for strengthening and Implementing corporate governance.

(3) Every year, all directors are arranged to attend in professional director courses of external institutions such as the Securities and Futures Institute and the Taiwan Corporate Governance Association or on-site courses, to enhance the professional knowledge of each director, and thus strengthen the operational effectiveness of the Board of Directors.

(4) In the future, depending on the diverse needs of the Company's business model and business development, the Company expects to plan for appropriate diversified board members, majority of the directors not concurrently serving as employees or managerial officers, and increase the seats of independent directors at the 10th re-election of directors, in order to comply with laws and regulations and ensure the best interests of the Company and investors

Note 2: During the recent year up to the publication date of annual report, the changes of the managerial officers are as the following:

(1) Division Head, Liu Chug Chun, was appointed as the Environmental Engineering Division on January 7, 2022

(2) Vice President, Henry Tsao, retired at age-mandated retirement on February 28, 2022.

(3) Vice President, Daniel Ting, was appointed as the HSE Planning Division on March 9, 2022.

Note 3: Major experience (education) and positions concurrently serving in other companies

Title	Name	Experience (Education)	Other Position
Chief Executive Officer	Lin Rong Shian	Pingdong Vocational High School Chairman and Chief Executive Officer, Radium Life Tech	Chairman of Wan Da Tong, Jing-Jan Investment Holding, Rih Ding Water Enterprise, Rih Siang Property Management, Prit Biotech, Rih Zuan Green Energy, Jing Ding Green Energy, Li Chiang Development, Rih Yao Development, Zhao Yao Enterprise, Xin Xiu Ge Hotel, Radium Far East, Golden Century, and Radium Foundation.
Senior Vice Chief Executive Officer	Shen Ching Peng	Master, Graduate School of Civil Engineering, University of Texas, Austin Director-General, Ret-Ser Engineering Agency Chairman, RSEA Engineering Corporation	Director of Jing-Jan Retail Business, Ji Shun Life Tech, Ji Sheng Zih Chan Development, Ding Sheng Green Energy, Rih Ding Circular Econ Inv Hldg,
Vice Chief Executive Officer, Group President, and Unified Procurement Center President	Lin Hua Chun	Master, Graduate Institute of Construction Engineering and Management of National Central University Bachelor, Business Administration, University of Southern California Special Assistant to Chairman, Radium Life Tech	Chairman, Ding Sheng Green Energy and Rih Ding Circular Econ Inv Hldg Director of Rih Yao Development, Rih Ding Water Enterprise, and Jing Ding Green Energy
Interim President and Group President	Liu Yao Kai	MBA, National Cheng Chi University National Taiwan College of Arts Business President, Radium Life Tech	Director of Titan Development and Construction, Ding Sheng Green Energy, Rih Ding Circular Econ Inv Hldg, Zhao Ya Enterprise, Li Chiang Development, Xin Xiu Ge Hotel, and Jing Ding Green Energy. President of Jing-Ding Green Supervisor of Wan Da Tong, Radium-Kagaya, Ji Shun Life Tech, Ji Sheng Zih Chan Development, Prit Biotech, Jing-Jan Investment Holding, Rih Yao Development, Jing-Jan Digital Square, Rih Zuan Green Energy, and Jing Yang Apartment Chairman, Ji Shun Life Tech Person in Charge of Chang xin Investment Director of Rih Siang Property Management, Rih Yao Development, Zhao Yao Enterpris, Radium Far East, Ji Sheng Zih Chan Development, Jing Yang Apartment, and Radium Foundation Supervisor of Xinxiuge Hotel

Title	Name	Experience (Education)	Other Position
Group President and Operation and Management Center President	Kerwin Go	Pepperdine University MBA Johnson Controls Inc. Business President, Radium Life Tech	Chairman of Radium-Kagaya Director of Jing Yang Apartment Director of Li Chiang Development, Prit Biotech, Rih Zuan Green Energy, Ding Sheng Green Energy, and Xin Xiu Ge Hotel. Supervisor of Zhao-Yao Enterprise, Rih Ding Circular Econ Inv Hldg, and Jing Ding Green Energy
Administration and Management Center Director	Lin Yi Chun	Pepperdine University MBA Director of Administration and Management Center, Radium Life Tech	Chairman of Jing-Jan Retail Business, Jing-Jan Digital Square and Ji Sheng Zih Chan Development Director of Jing-Jan Investment Holding, Wan Da Tong, Rih Zuan Green Energy, Radium Far East, Radium Foundation, and Golden Century
Special Assistant	You Wan Ying	Pingdong Girl's Senior High School Special Assistant, Radium Life Tech	Director of Radium-Kagaya and Jing-Jan Digital Square Supervisor of Rih Ding Water Enterprise, Rih Siang Property Management, and Golden Century
Division Head Environmental Engineering Division	Liu Chug Chun	Ph.D., Graduate Institute of Environmental Engineering, National Taiwan University Director, Institute of Labor, Occupation Safety and Health, MOL, Ministry of Labor Director, Workforce Development Agency, Ministry of Labor Deputy Director, Department of Comprehensive Planning, Environmental Protection Administration, Executive Yuan Director-Genera, Hsinchu City Environmental Protection Bureau	Vice Chairman and President of Ding Sheng Green Energy Director of Rih Ding Circular Econ Inv Hldg and Jing Ding Green Energy
Vice President	Tsai Chin Tsai	Department of Civil Engineering, Dahan Junior College of Engineering Special Assistant, Head Management Division, Radium Life Tech	None
Vice President, Administration and Management Center	Henry Tsao	Department of Mathematics, Fu Jen University Chief Executive Officer, Rui-Hong Information Technology Consultant, YEN & Brothers Enterprise	None
Vice President, Finance Division (Corporate governance officer and finance officer)	Tina Chen	Master, Department of Business Administration, Tamkang University Associate Vice President, Radium Life Tech	Director of Jing Ding Green Energy
Vice President, Project Development Division	Mei Yung Ho	Master, Civil and Construction Engineering at National Taiwan University of Science and Technology Executive Vice President of China Real Estate Management; Executive Vice President and Spokesperson of Dali Development Co., Ltd.	Director and Interim President of Rih Siang Property Management
Vice President, Internal Audit Division	Wang PHSE o Chien	LLM, University of Illinois at Springfield Bachelor, Department of Law, Soochow University Chief Legal Officer of CTCI Corporation; Chief Auditor, RSEA Engineering Corporation Part-time Associate Professor, Institute of Construction Engineering and Management of National Central University	None
Vice President, HSE Planning Division	Daniel Ting	Ph.D., Department of Civil Engineering, National Taiwan University Master, Civil and Construction Engineering at National Taiwan University of Science and Technology Head of HSE, CTCI Group	None

Title	Name	Experience (Education)	Other Position
Associate Vice President, Information Technology Management Division	Kevin Yang	Tamsui Junior College of Industrial & Business Administration Manager of Liangwei Electronics and DBTEL; Vice Manager of Dongsan Multimedia	None
Associate Vice President, Project Development Division	Lee Chun Hung	Graduate Institute of Automation and Control, National Taiwan University of Science and Technology Manager of Electrical and Mechanical, Vice Director, Equipment Division, Chief, Construction Management, RSEA Engineering Corporation	None
Associate Vice President, Accounting Division (Accounting officer)	Rita Liu	Department of Accounting, Soochow University Vice Manager, Accounting Department, Aichun Technology Co., Ltd.	None
Associate Vice President, Legal Division	Lee Chia Hui	Department of Law, Financial Law Section, National Taiwan University Partner, Wang and Company	None
Associate Vice President, Investor and Public Relations Office	Christine Chen	Master, Mass Communication Spokesperson and Chief of Investor Relation Division, Green energy technology	None
Associate Vice President, Administration Division	Su Chen Shih	Master, The Institute of Human Resource Management, Sun Yat-sen University Vice Manager, Lager Network Technologies	None

(III) Remunerations to Directors, Supervisors, President, and Vice Presidents in the Recent Year

1. Remunerations of Directors

Unit: NT\$, Thousand

Title	Name	Remuneration						Relevant Remuneration Received by Directors Who are Also Employees			Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company			
		Base Compensation (A)		Directors Compensation(C)		Allowances (D)		Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)		The Company	All Consolidated Entities	
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	Cash				Share
Chairman	Lin Rong Shian															
Vice Chairman	Lin Hua Chun															
	Chang Xin Investment Development Co., Ltd. Representative															
Directors	Shen Ching Peng	3,480	7,560	0	300	1,723	750	2,185	22,265	23,338	324	324	123	0	58.42%	
	Chang Xin Investment Development Co., Ltd. Representative															
Independent Director	Liu Yao Kai															
	K. C. Chou															
	Lu Shyue Ching															
	Pan Wei Ta															

Note 1: The Company's remuneration policies, standards, and packages, and the procedure for determining remuneration for independent directors, and its linkage to operating performance and future risk exposure:

(1) Pursuant to the Articles of Incorporation, the remuneration to all directors shall be paid according to the usual standards of the same industry regardless of operating profit or loss. The remuneration paid to the directors is authorized to the board of directors to be determined based on their value of participation level in the Company's operations as well as their contribution, and the Company's operating condition shall also be taken into account. The remuneration is set at a level that does not exceed the maximum wage standard stipulated in the Company's wage Management Measures.

(2) The Company has the Procedures for Director's Remuneration Appropriation and Payment in place, specifying that independent directors do not participate in the distribution of directors' remuneration for each year. In other words, regardless of the profit or loss, the Company will pay fixed compensations.

(3) For the fixed compensation received by independent directors, the Company's operations, financial position and directors' responsibilities have been taken into account, and the directors' performance appraisal are conducted every year, for submitting the appraisal results to the Board of Directors, as a reference for review and improvement and future selection of directors.

Note 2: In addition to the disclosure in the above table, in the most recent fiscal year, remuneration received by directors (e.g., serving as a consultant for a non-employee of the parent company/companies included in the financial statements/investment businesses): None.

Note 3: The remunerations disclosed in the table have different concept from the income tax. Therefore, the purpose of the table is to disclose information but not for tax purpose.

Ranges of the Directors' Remunerations

Ranges of Remunerations	Name of director				
	Total of (A+B+C+D)		All Consolidated Entities	Total of (A+B+C+D+E+F+G)	
	The Company	The Company		The Company	All Consolidated Entities
Under NTD 1,000,000	Lin Rong Shian Lin Hua Chun Shen Ching Peng Liu Yao Kai	Lin Hua Chun Liu Yao Kai	—	—	—
NTD1,000,000 (inclusive) ~ NTD2,000,000 (exclusive)	K. C. Chou Lu Shyue Ching Pan Wei Ta	Shen Ching Peng K. C. Chou Lu Shyue Ching Pan Wei Ta	—	K. C. Chou Lu Shyue Ching Pan Wei Ta	K. C. Chou Lu Shyue Ching Pan Wei Ta
NTD2,000,000 (inclusive) ~ NTD3,500,000 (exclusive)	—	—	—	—	—
NTD3,500,000 (inclusive) ~ NTD5,000,000 (exclusive)	—	Lin Rong Shian	—	Lin Hua Chun Liu Yao Kai	—
NTD5,000,000 (inclusive) ~ NTD10,000,000 (exclusive)	—	—	—	Lin Rong Shian Shen Ching Peng	Lin Hua Chun Shen Ching Peng Liu Yao Kai
NTD10,000,000 (inclusive) ~ NTD15,000,000 (exclusive)	—	—	—	—	—
NTD15,000,000 (inclusive) ~ NTD30,000,000 (exclusive)	—	—	—	—	—
NTD30,000,000 (inclusive) ~ NTD50,000,000 (exclusive)	—	—	—	—	—
NTD50,000,000 (inclusive) ~ NTD100,000,000 (exclusive)	—	—	—	—	—
Over NTD100,000,000	—	—	—	—	—
Total	7	7	7	7	7

2. Remunerations to President and Vice Presidents

Unit: NTS Thousand

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or parent company	
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	Cash	Stock	The Company	All Consolidated Entities		
Chief Executive Officer	Lin Rong Shian														
Senior Vice Chief Executive Officer	Shen Ching Peng														
Vice Chief Executive Officer, Group President, and Unified Procurement Center President	Lin Hua Chun														
Interim President and Group President	Liu Yao Kai														
Group President and Operation and Management Center President	Kerwin Go	27,642	27,642	1,019	1,019	17,008	18,081	237	0	237	0	76.08%	77.85%	0	
Administration and Management Center Director	Lin Yi Chun														
Special Assistant	You Wan Ying														
Vice President	Tsai Chin Tsai														
Vice President	Tina Chen														
Vice President	Henry Tsao														
Vice President	Mei Yung Ho														
Vice President	Wang Po Chien														

Note : The remunerations disclosed in the table have different concept from the income tax. Therefore, the purpose of the table is to disclose information but not for tax purpose.

Ranges of President and Vice President' Remunerations

Ranges of Remunerations	Name of President and Vice President	
	The Company	All Consolidated Entities
Under NTD 2,000,000	—	—
NTD 2,000,000 (inclusive) ~ NTD 5,000,000 (exclusive)	Liu Yao Kai, Lin Hua Chun, Kerwin Go, Lin Yi Chun You Wan Ying, Tsai Chin Tsai, Tina Chen, Henry Isao Mei Yung Ho, Wang Po Chien	Liu Yao Kai, Lin Hua Chun, Kerwin Go, Lin Yi Chun You Wan Ying, Tsai Chin Tsai, Tina Chen, Henry Isao Mei Yung Ho, Wang Po Chien
NTD5,000,000 (inclusive) ~ NTD10,000,000 (exclusive)	Lin Rong Shian, Shen Ching Peng	Lin Rong Shian, Shen Ching Peng
NTD10,000,000 (inclusive) ~ NTD15,000,000 (exclusive)	—	—
NTD15,000,000 (inclusive) ~ NTD30,000,000 (exclusive)	—	—
NTD30,000,000 (inclusive) ~ NTD50,000,000 (exclusive)	—	—
NTD50,000,000 (inclusive) ~ NTD100,000,000 (exclusive)	—	—
Over NTD100,000,000	—	—
Total	12	12

4. Managerial officers receiving employee remunerations and state of distribution:

March 31, 2022; Unit: NT\$ Thousand

	Title	Name	Employee Compensation - in Stock	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Managerial officer	Chief Executive Officer	Lin Rong Shian	0	483	483	0.80%
	Senior Vice Chief Executive Officer	Shen Ching Peng				
	Vice Chief Executive Officer, Group President, and Unified Procurement Center President	Lin Hua Chun				
	Interim President and Group President	Liu Yao Kai				
	Group President and Operation and Management Center President	Kerwin Go				
	Administration and Management Center Director	Lin Yi Chun				
	Special Assistant	You Wan Ying				
	Division Head	Liu Chug Chun				
	Vice President	Tsai Chin Tsai				
	Vice President	Henry Tsao				
	Vice President	Mei Yung Ho				
	Vice President (Corporate governance officer and finance officer)	Tina Chen				
	Vice President	Wang Po Chien				
	Associate Vice President	Lee Chun Hung				
	Associate Vice President	Kevin Yang				
	Associate Vice President	Lee Chia Hui				
	Associate Vice President (Accounting officer)	Rita Liu				
	Associate Vice President	Christine Chen				
	Associate Vice President	Su Chen Shih				

Note: It is based on the total annual employee compensation amount of 2021 approved by the board of directors of the company March 29, 2022 to estimate the employee compensation that the manager can share.

- (IV) Analysis of remuneration paid to Directors, Supervisors, Presidents and Vice Presidents by the Company and all consolidated entities in the recent 2 years as a percentage of net income in the parent company only or individual financial statements and explanation on remuneration policy, standards and composition, procedures and the correlation with operation performance and future risks.

Unit: NT\$ Thousand

Year \ Item	The Company		All Consolidated Entities	
	Total remuneration	Ratio to net income (%)	Total remuneration	Ratio to net income (%)
2020	54,246	8.71%	64,018	10.28%
2021	46,606	77.24%	56,396	93.46%

1. The remunerations paid to directors and supervisors in the recent two years by all companies included in the consolidated financial statements are described as the following.
 - (1) Pursuant to the Articles of Incorporation, the remuneration to all directors shall be paid according to the usual standards of the same industry regardless of operating profit or loss. The remuneration paid to the directors is authorized to the board of directors to be determined based on their value of participation level in the Company's operations as well as their contribution, and the Company's operating condition shall also be taken into account. The remuneration is set at a level that does not exceed the maximum wage standard stipulated in the Company's wage Management Measures.
 - (2) According to the Articles of Incorporation of the Company, if the Company makes a profit during the year, the Board of Directors shall resolve to appropriate no more than one percent as directors' remuneration.
 - (3) The Company has the Procedures for Director's Remuneration Appropriation and Payment, and divides the remuneration into three categories: remuneration, compensation and service expenses.
 - A. Remuneration: The total amount is appropriated based on the Company's Articles of Incorporation, relevant laws and regulations, and reference to the level of peer's level; the distribution is based on the degree of participation and contribution of the directors and supervisors to the Company's operations during their tenure.
 - B. Compensation: refers to the compensation received by the directors for performing their duties or concurrently serving as functional committee members, and is paid based on the qualifications of the directors and reference to the level of peers. It is specified that independent directors do not participate in the distribution of directors' remuneration for each year. In other words, regardless of the profit or loss, the Company will pay fixed compensation ns.
 - C. Service expenses refer to the transportation subsidies, special allowance, and various allowances received by the directors when they perform their duties or concurrently serve as functional committee members.
 - (4) Except for fixed compensation and travel subsidies received, remuneration of independent directors is not related to their performance. In addition to receiving travel subsidies, other directors shall receive not more than 1% of the Company's annual profit as remuneration to directors. A director's performance is evaluated based on their participation in and contribution to the Company's operations, as well as their guarantee/endorsement responsibilities. Remuneration payment to each director is calculated according to the evaluation results.
 - (5) Directors and supervisors of a non-listed subsidiary receive remuneration either as directors and supervisors or business execution fees.

2. The wage structure of managerial officers of the Company and the subsidiaries, is divided into Wages, bonuses and subsidies are explained as follows:
 - (1) Wage is paid monthly, which is divided into basic wage and allowance; the basic wage is determined based on the reference to the peer's level, title, rank, educational/industrial background, professional capabilities, or certain performance, or satisfaction of certain criteria; allowances are granted for serving as specific positions or conducting specific duties: For example: allowance for supervisors and allowance for construction.
 - (2) Bonuses are granted based on work performance or specific work results, including project bonus, year-end-bonus and employee remuneration.
 - A. Project bonuses are granted based on the employee's achievement rate of the Company's projects, financial benchmarks or special contributions.
 - B. The total remuneration amount is determined based on the profitability and operating performance indicators (e.g., achievement of the Company's revenue and profit after tax). Each individual's position, length of service and performance will serve as indicators for distribution standards. The Remuneration Committee then reviews the determined remuneration prior to submitting to the Board of Directors for resolution.
 - C. According to the provisions of the Company's Articles of Incorporation and pre-tax income as the basis for allocation, the allocation criteria for employee compensation are evaluated based on relevant performance indicators for operations, and shall be deliberated and approved by the Remuneration Committee before resolved by the board of directors.
 - (3) "Subsidies" are open for application by employees who meet specific conditions, such as transportation subsidy and medical examination subsidy.
3. In addition to the rewards or remuneration mentioned above, if directors, supervisors or managers have moral hazard incidents, improper internal management, personnel fraud or other circumstances that cause negative image and goodwill damage of the Company, they will be punished in due course and will serve as a reference for future review and payment of reasonable remuneration.

III. Implementation of Corporate Governance

(I) Operation of the Board of Directors

A total of 9 meetings of the Board of Directors were held in 2021, and the attendance of directors is summarized as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Lin Rong Shian	9	0	100.00%	
Directors	Chang Xin Investment Development Co., Ltd. Representative: Shen Ching Peng	9	0	100.00%	
Directors	Chang Xin Investment Development Co., Ltd. Representative: Liu Yao Kai	9	0	100.00%	
Directors	Lin Hua Chun	9	0	100.00%	
Independent Director	K. C. Chou	9	0	100.00%	
Independent Director	Lu Shyue Ching	9	0	100.00%	
Independent Director	Pan Wei Ta	9	0	100.00%	

Other items to be stated:

I. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors'

(I) opinions and the company's response should be specified:

Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has the Audit Committee in place, and pursuant to Article 14-5 of the Securities and Exchange Act, such matters shall be approved by the majority of the Audit Committee and submitted to the Board of Directors for resolution; Article 14-3 of the Securities and Exchange Act is not applicable. Please refer to the Operation of the Audit Committee later.

(II) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.

II. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified.

Date	Name of director	Proposal description	Reason of recusal, and participation of voting
2021.2.3	Lin Rong Shian Lin Hua Chun Shen Ching Peng Liu Yao Kai	Distribution of managerial officers' remuneration	Recusal due to conflict of interest; not participating in discussion and voting.
	Lin Rong Shian Lin Hua Chun	Motion to relieve the Company's manager's from the non-competition restriction	
2021.3.26	Lin Rong Shian Lin Hua Chun Shen Ching Peng Liu Yao Kai	Adjustment of managerial officers' compensations	Recusal due to conflict of interest; not participating in discussion and voting.
	Shen Ching Peng Liu Yao Kai	Related party transactions (purchase of the Company's property and parking space)	
2021.8.10	Lin Rong Shian Lin Hua Chun Liu Yao Kai	Motion for donation of Radium Foundation	Recusal due to conflict of interest; not participating in discussion and voting.
	Lin Rong Shian Lin Hua Chun Shen Ching Peng Liu Yao Kai	Distribution of directors' remuneration and adjustment of manager subsidies	Recusal due to conflict of interest; not participating in discussion and voting.

2021.9.15	Lin Rong Shian Lin Hua Chun	Loans from subsidiaries	Recusal due to conflict of interest; not participating in discussion and voting.
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III. Evaluation of the Board of Director

Evaluation cycle	Evaluation periods	Evaluation scope	Evaluation method	Evaluation content
Once a year	January 1, 2021 to December 31, 2021	Including the performance appraisals of all the board of directors, individual board member, and functional committees	Self-assessment in the Board of Directors and board member	Described as the following:

On January 14, 2020, the Board of Directors approved the amendments to the “Procedures of the Board of Directors Performance Appraisal.” Afterwards, each director fill in the performance appraisal questionnaires of the Board of Directors, individual board member, and functional committees for 2020. The questionnaires include the following items:

- (1) Performance appraisal for the Board of Directors: including participation in the operation of the company; improvement of the quality of the board of directors' decision making; composition and structure of the board of directors; election and continuing education of the directors; and internal control.
- (2) Performance appraisal for individual board member: including alignment of the goals and mission of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control.
- (3) Performance appraisal for functional committees: degree of participation in the company's operations; recognition of the duties of the functional committee; improvement in the quality of decision making by the functional committee; composition of the functional committee, and election and appointment of committee members; and internal control

For the outcomes of the Board of Directors and functional committees in 2021, please refer to the description of p.42.

IV. Objective of enhancing the Board’s functions in the current and recent years (e.g. establishing the Audit Committee or enhancing information transparency) and the assessment to the implementation:

- (I) The Company has established the Regulations Governing Procedure for Board of Directors Meetings based on the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” The attendance of directors to Board meeting are uploaded to MOPS to enhance the function of the Board of Directors. In 2021, the directors attended total 63 hours for continuing education (please refer to the description of p.48).
- (II) The Company has re-elected directors fully in the AGM on June 24, 2019. Among them, three seats are independent directors. The Audit Committee has been also established to replace the supervisor system.
- (III) The Company has retained Mr. K. C. Chou, Mr. Lu, Shyue Ching, and Mr. Ou, Chin De as the 4th term of Remuneration Committee members in the Board meeting on July 23, 2019, to review the system and structure of remunerations to the directors and managerial officers, assist the Board of Directors to determined and review remunerations to the directors and managerial officers, while regularly assess the remuneration level of the directors and managerial officers.
- (IV) In the Board meeting on December 6, 2019, the Company appointed Vice President of Finance Division, Ms. Tina Chen, to concurrently serve as the corporate governance officer, and the corporate governance team was formed at the beginning of 2020 as the dedicated unit for corporate governance-related affairs. The Board meeting held on March 26, 2021 approved to set up a “Corporate Sustainable Development Team” under the Board of Directors. The Team helps the Board of Directors in promoting corporate sustainable development governance culture. Regarding the operation of the corporate governance in 2021, please refer to the description of p.41.

(II) Operation of the Audit Committee

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent Director	K. C. Chou	8	0	100.00%	
Independent Director	Lu Shyue Ching	8	0	100.00%	
Independent Director	Pan Wei Ta	8	0	100.00%	

I. Total 8 meetings were convened in 2021; the key tasks and deliberations are as the following:

- (I) The Company formulates or amends internal control system and enforcement rules for internal audits for internal audit implementation.
- (II) Assessment of the effectiveness of the internal control system.
- (III) The reasonableness of the proposals involving the directors' own interests.
- (IV) Major asset transactions.
- (V) A material monetary loan, endorsement, or provision of guarantee.
- (VI) Proceeds from issuance of bonds and major credit cases.
- (VII) Information security risk management.
- (VIII) Appointment, remuneration and independence assessment of CPAs.
- (IX) Financial statements certified or audited by CPAs.

II. Other items to be stated:

(I) If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified

1. Matters referred to in Article 14-5 of the Securities and Exchange Act.
2. Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

Board of Directors	Contents of Motions and the Response	In Article 14-5 of Securities and Exchange Act	Not approved by the Audit Committee but be undertaken upon the consent of two-thirds or more of all directors.
2021.2.3	The motion to amend the Company's "Internal Control System"	✓	None
	The motion to relieve the Company's managerial officers from the non-competition restriction.	✓	None
	The motion to provide endorsement/guarantee to a subsidiary's credit case.	✓	None
	Resolution of the Audit Committee on February 3, 2021: approved by all attending members.		
	Treatment to the opinion of the Audit Committee: approved by all attending directors.		
2021.3.26	The motion of the Company's organizational adjustment.	✓	None
	The motion of the Company's new managerial officers.	✓	None
	The motion for the Company's 2020 business report, consolidated financial statements and standalone financial statements.	✓	None
	The motion for the Company's 2020 internal control system statement.	✓	None
	The motion to amend the Company's "Internal Control System"	✓	None
	The motion to amend to the company's "Articles of Incorporation".	✓	None
	The motion for the 2021 replacement of the Company's CPAs assessment on the independence and competency of the CPAs.	✓	None
	The motion of a related party's plan to purchase a property and parking lot.	✓	None
	Resolution of the Audit Committee on March 26, 2021: approved by all attending members.		
Treatment to the opinion of the Audit Committee: approved by all attending directors.			

2021.5.11	The motion to amend to the company's "Articles of Incorporation"	✓	None
	The motion of the Company's 2021 appointed CPAs' public expenses.	✓	None
	Resolution of the Audit Committee on May 11, 2021: approved by all attending members.		
	Treatment to the opinion of the Audit Committee: approved by all attending directors.		
2021.7.2	The motion to provide endorsement/guarantee to a subsidiary's credit case.	✓	None
	The motion for the Company to issue the first guaranteed general corporate bonds in 2021.	✓	None
	Resolution of the Audit Committee on July 2, 2021: approved by all attending members.		
	Treatment to the opinion of the Audit Committee: approved by all attending directors.		
2021.8.10	The motion to amend the Company's "Internal Control System"	✓	None
	Motion to increase the Company's donation to Radium Foundation.	✓	None
	The motion to set the base date for the Company's dividend distribution and matters in relation to dividend distribution.	✓	None
	Resolution of the Audit Committee on August 10, 2021: approved by all attending members.		
	Treatment to the opinion of the Audit Committee: approved by all attending directors.		
2021.9.15	The motion to provide endorsement/guarantee to a subsidiary's credit case.	✓	None
	Resolution of the Audit Committee on September 15, 2021: approved by all attending members.		
	Treatment to the opinion of the Audit Committee: approved by all attending directors.		
2021.11.12	The motion to amend the Company's "Internal Control System"	✓	None
	Resolution of the Audit Committee on November 12, 2021: approved by all attending members.		
	Treatment to the opinion of the Audit Committee: approved by all attending directors.		
2021.12.24	The motion of 2022 audit plans.	✓	None
	The motion to amend the Company's "Internal Control System"	✓	None
	Motion for the Company to buy back its shares from the centralized securities exchange market.	✓	None
	The motion of the Company's organizational adjustment.	✓	None
	Resolution of the Audit Committee on December 24, 2021: It was suggested that the Company should take into account the efficiency of the organization and the consistency of the command system and that the Company's should be a flat organization. The Audit Committee resolved that the motion was tentatively approved, which was to be submitted to the Board of Directors. The motion was reexamined by the HR Department after 3 months and should be submitted again.		
	The Company's handling of the Audit Committee's opinion: As suggested by the Audit Committee, the motion was approved at the meeting prior to submitting again to the Audit Committee on January 18, 2022. The Audit Committee and attending members of the Board approved the motion.		

(II) Implementation of independent directors' recusals to proposals with personal interests; name of director, proposal description, reason of recusal, and participation of voting shall be specified: None.

(III) Communication between independent directors, internal audit officers and CPAs (such as material matters, methods and results of communications on the Company's finances and business status):

Since 2016, independent directors and supervisors have been arranged to communicate with CPAs and internal audit officers, to sufficiently discuss the information of financial statements and the implementation of internal control system. The discussion serves as an important reference for the Company's subsequent operation improvement and adjustment. The Audit Committee was established in 2019 to replace the supervisor system. The communication between the Audit Committee and the internal audit officer and CPAs in 2021 is as follows:

1. Independent directors report to the internal audit implementation and internal control operations of the Company and its subsidiaries with the internal audit officers at least once a year; in case of material abnormal events, they may convene a meeting at any time. On November 12, 2021, the "independent director's communication seminar for audit business" was held to conduct an audit business report. The result of the communication was that the instruction of the independent directors has been communicated to each responsible units to discuss and proceed, for strengthening the operation of the internal control.

2. The CPAs report to the independent directors once or twice a year regarding the financial position, overall operations, and internal control audit of the Company and its subsidiaries, and both parties sufficiently communicate for the key audit matters and material adjustments of accounts; in case of material abnormal events, they may convene a meeting at any time. A meeting was held on November 12, 2021, to report to independent directors on the operating overview of the Radium Group based on the latest financial statements for 2021, and explain to the independent directors the highly concerned issues that may become key audit matters before the 2021 audit, and the CPAs' inquiries of matters intended to be focused on. The result of the communication was that the independent directors have fully understood and known what may become a key audit items for 2021.

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

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	V		The Company has established the Corporate Governance Best-Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies; other than uploaded to MOPS, the Principles are also disclosed at the "Corporate Governance Section" on the website.	No variance
II. Shareholding structure & shareholders' rights				
(I) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(I) The Company has set forth in the "Management Operations for External Communication" in the internal control system; it is designated dedicated staff (the spokesperson and the deputy spokesperson) to handle shareholder-related matters, and set up an investor service section on the website to properly handle shareholder suggestions, doubts, disputes and litigations.	No variance
(II) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(II) The Company is required by law and regulations to report to the competent authority at MOPS every month about major shareholder shareholding changes.	No variance
(III) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(III) The Company has specified the "Management Operations of Related Party Transactions" in its internal control system to regulate the goods transactions, major asset transactions, financing, and endorsement/guarantee between the Company and affiliates. The financial, accounting and banking transactions of the Company and affiliates are all independent of each other; the auditing unit supervise and manage the subsidiaries to implement risk control.	No variance
(IV) Does the company establish internal rules against insiders trading with undisclosed information?	V		(IV) The Company has set up the "Management Operations to Prevent Insider Trading" and "Handling Operation of Material Internal Information", to prohibit insiders from utilizing the undisclosed information to trade securities in order to avoid insider trading. Moreover, the Company forwards the promotion, prevention and information announced by the competent authorities to all insiders including directors and managerial officers to know from time to time. At least once a year, to all insiders such as directors and managerial officers, the educational promotion is conducted pursuant to the "Management Operations to Prevent Insider Trading" and related laws and regulations. On December 11, 2021, the Company has conducted a seminar for 2 hours on the "Ethical Corporate Management Best Practice Principles and Prevention of Insider Trading" for current directors and officers above the associate VP level in a total of 35 participants The content of the course included the person's subject to insider trading regulations, recognition of insider information and how to disclose it, as well as practical case study. The course briefing materials are placed in the internal education and training section for those who did not attend that day to check.	No variance

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
III. Composition and Responsibilities of the Board of Directors				
(I) Has the board formulated a policy for diversity and specific management objectives, and have they been implemented?	V		(I) The Company has formulated a policy for the diversity of the Board of Directors. For its specific achievement and implementation status, please refer to p.21 regarding the explanation of the diversity and independence of the Board of Directors.	No variance
(II) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		(II) The Company has set up the Remuneration Committee, and as required by laws and regulations, at the 2019 shareholders' meeting, the directors were fully re-elected and the Audit Committee has been set up; there is no need to set up other functional committees now.	No variance
(III) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	V		(III) The Company has established the Procedures of the Board of Directors Performance Appraisal, and conducts the Board performance appraisal of the previous year in the first quarter of each year. The appraisal methods include "Board Performance (Overall) Self-Assessment Questionnaire" and "Board Member Self-Assessment Questionnaire". The following five major aspects are included in the "Self-Assessment Questionnaire for the Board of Directors Performance": 1. Participation in the operation of the company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of directors; 4. Election and continuing education of the directors; and 5. Internal control. The following six major aspects are included in the "Self-Assessment Questionnaire for the Board Member": 1. Alignment of the goals and mission of the company; 2. Awareness of the duties of a director; 3. Participation in the operation of the company; 4. Management of internal relationship and communication; 5. The director's professionalism and continuing education; and 6. Internal control. The following five major aspects are included in the functional committees' performance appraisal (the Audit and Remuneration Committees): 1. Participation in the operation of the company; 2. Awareness of the duties of functional committee; 3. Improvement of the quality of the functional committees' decision making; 4. Composition of functional committees and member election. 5. Internal control. The self-evaluation of the performance of the Company's Board of Directors and functional committees for 2021 has been completed. The average score is above 95, showing that the operation of the Board of Directors and functional committees are robust. The Stock Affairs Department summarized the questionnaire filled by all directors and members,	No variance

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons																																
	Yes	No	Abstract Illustration																																	
(IV) Does the company regularly evaluate the independence of CPAs?	V		<p>reported the result to the corporate governance officer. The corporate governance officer reviewed and analyzed the poor scores with the independent directors before reporting to the Board of Directors. In the future, the head of corporate governance will inform the key management-level personnel of the recommendations of directors regarding the Company. The recommendations will serve as a reference for strengthening corporate governance and setting operational objectives. In the future, the Company will also use the relevant appraisal results as a reference for the remuneration and nomination of each directors.</p> <p>The results for the performance evaluation of the Board of Directors and functional committees for 2021 has been reported to the Board meeting held on January 18, 2022.</p> <p>(IV) The Accounting Division of the Company formulates assessment items based on The Bulletin of Norm of Professional Ethics for Certified Public Accountant No. 10 "Integrity, Objectivity and Independence," and conducts self-assessment of the independence and suitability of CPAs once a year. The assessment results are submitted to the Board of Directors to discuss and resolve. The results of the assessment on the independence of CPAs and the statement issued by the two CPAs have been reviewed and approved by the Board of Directors on March 26, 2021. The important assessment items for the independence of CPAs are listed as follows:</p> <table border="1"> <thead> <tr> <th colspan="2">Assessment of CPAs' Independence</th> <th colspan="2">Independence status</th> </tr> <tr> <th>Item</th> <th>Key assessment item</th> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>The appointed CPAs should avoid and should not accept the engagement when they may have involved in any direct or material indirect interests which may impair their impartiality and independence.</td> <td>V</td> <td></td> </tr> <tr> <td>2</td> <td>The CPAs, members of audit team, the partners of the firm or shareholders of corporate accounting firms, accounting firms, and any of affiliates, and network firms, must be always independence of the Company.</td> <td>V</td> <td></td> </tr> <tr> <td>3</td> <td>The CPAs have no a direct or material indirect financial interest in the Company.</td> <td>V</td> <td></td> </tr> <tr> <td>4</td> <td>There is no financing or guarantee between the CPAs and the Company or its directors and supervisors.</td> <td>V</td> <td></td> </tr> <tr> <td>5</td> <td>The CPAs does not have a close business relationship or potential employment relationship with the Company.</td> <td>V</td> <td></td> </tr> <tr> <td>6</td> <td>CPAs and any member of the audit</td> <td>V</td> <td></td> </tr> </tbody> </table>	Assessment of CPAs' Independence		Independence status		Item	Key assessment item	Yes	No	1	The appointed CPAs should avoid and should not accept the engagement when they may have involved in any direct or material indirect interests which may impair their impartiality and independence.	V		2	The CPAs, members of audit team, the partners of the firm or shareholders of corporate accounting firms, accounting firms, and any of affiliates, and network firms, must be always independence of the Company.	V		3	The CPAs have no a direct or material indirect financial interest in the Company.	V		4	There is no financing or guarantee between the CPAs and the Company or its directors and supervisors.	V		5	The CPAs does not have a close business relationship or potential employment relationship with the Company.	V		6	CPAs and any member of the audit	V		No variance
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IV. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	V		<p>(I) To enhance the function of the Board of Directors and implemented the corporate governance, in the Board meeting on December 6, 2019, the Company appointed Vice President of Finance Division, Ms. Tina Chen, to concurrently serve as the corporate governance officer, and the corporate governance team was formed at the beginning of 2020 as the dedicated unit for corporate governance-related affairs.</p> <p>(II) The corporate governance team is made up with supervisors appointed by each unit. The tasks of the members are to review whether the corporate governance system, rules and internal control adequate, assist in the preparation of annual reports and CSR reports, as well as promoting corporate governance.</p> <p>(III) The Company's Board of Directors, Audit Committee, and shareholders' meeting related matters are handled by the Stock Affairs Department (three people deployed) full-time, and they are subordinated to Tina Chen, Vice President of the Finance Department (concurrently serving as the corporate governance officer). Their works includes the planning and draft the agenda before the meetings of the Board of Directors and the Auditing Committee to comply with relevant laws and regulations. At least seven days before the meeting, they shall send the meeting notice and provide meeting materials so that the directors may understand the relevant content of the</p>	No variance																								

Evaluation Item	Implementation Status		Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
			<p>proposals to be discussed; if any proposal is involved with interest of any director and thus results in recusal, such directors shall be reminded in advanced. During the meeting, if the directors have tasks assigned or need to supplement relevant information, the relevant information will be passed on to the responsible units for the purpose of communication between the Board of Directors and the management team. In addition, the Stock Affairs Department is responsible for the release of material information of important board resolutions, ensuring the legality and accuracy of the content of the material information, to ensure the equal investor transaction information, and complete the minutes of the board of directors within 20 days after the meeting. Also, each year, the date of the shareholders meeting is registered within the time limit specified by the law and regulations. The documents such as the notice of the shareholders meeting, the agenda handbooks, annual report, and the minutes of the meeting are prepared and submitted, and all necessary matters are handled upon the shareholders meeting's approval.</p> <p>(IV) The corporate governance team must at least report to the Board of Directors once a year. The Company's state of corporate governance for 2021 is as follows:</p> <ol style="list-style-type: none"> 1. The corporate governance team assisted the Board of Directors in complying laws and regulations and completed matters associated with the convening Board meetings and shareholders' meetings. 2. The corporate governance team assisted the directors in their continuous education and taking out insurance policies for directors and managers. 3. The corporate governance team reviewed the corporate governance evaluation indicator to enhance the governance culture. 4. The corporate governance team advocated the ESG concept, emphasized information security risks, and optimized company website. 5. The corporate governance operation for 2021 was reported to the Board meeting held on December 24, 2021.

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		(I) The Company values the stakeholders related to the Company. In order to better understand the thoughts of the stakeholders and establish good communication and interaction with them, There is a section dedicated to stakeholders on the company website under the "Corporate Sustainable Development" section, to deliver important operational information or investment and finance information related to the stakeholders timely. Meanwhile, the important issues concerned by the stakeholders, communication channels, and responses are also disclosed on the website. The communication results for 2021 have been disclosed on the website. (II) In addition, the company-owned social medium (Facebook) is also established to facilitate immediate response to issues concerned by general visitors such as clients or suppliers. The communication channels are smooth. (III) Other than setting up a special section for employee care and talent development under the 「Corporate Sustainable Development」 on the website, the Company has also set up an "Employee Care Mailbox" within the Company to provide immediate and appropriate responses to any relevant suggestions from employees while preserving employee privacy.	No variance
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company appointed KGI Securities as the stock affair agency to handle the shareholders' meeting affairs.	No variance
VII. Information Disclosure (I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V V V		(I) The Company has a corporate website that discloses relevant financial, business and corporate governance information all the time, so that investors may understand the general business of the Group. (II) The Company assigns a dedicated staff to be responsible for the Company's information collection and disclosure tasks, seeking to be able to respond to the major issues of concern to the stakeholders timely. There are spokespersons and deputy spokespersons to explain the questions and concerns of shareholders and stakeholders; if any investor conference/press conference is held, the announcements and reports will be handled pursuant to laws and regulations, and upload relevant financial and business information files. In addition, the Company has launched a website update plan. In addition to optimizing the Chinese website in 2021, it will also build the English website, towards internationalization. (III) As many subsidiaries are owned by the Company, in order to cope with the audit of the subsidiaries for preparing consolidated statements, it is not yet possible to announce and report the annual financial report within two months of the end of the fiscal year; but they are all announced and reported as early as possible before the deadline; The financial reports for the first 3 quarters of and the operating status of each month are also announced and reported before the prescribed deadline. 2023 will be announced earlier than 75 days after the end of the	No variance No variance No material variance.

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			accounting year in line with the laws and regulations. The self-assessed financial information will be reported to the Board of Directors for approval.	
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>(I) The Company plans HR Management Regulations in accordance with laws and regulations and carries out reviews on related personnel system while establishing strategies to accommodate changes in the social and economic environment. In addition to attaching great importance on the employee's salaries and benefits, the Company also provides an excellent workplace and holds a labor-management meeting on a quarterly basis to promote communication exchange between the employee. The Company has set up an employee welfare committee to handle various welfare matters, including group insurance, birthday and three major festival gift certificates/gift and health checks, among other things, while contributing pensions pursuant the Labor Standards Act and the Labor Pension Act. In addition, the Company provides comprehensive and diversified training courses to enhance employees' professional knowledge and functions. An "Employee Care Mailbox" is set up for the communication for work and life at all aspects, to establish a good relationship of mutual trust and mutual dependence with employees. In addition, in order to retain and cultivate outstanding talents, and to encourage employees to work for the Company for a long time and to leverage their strengths, the Company established the Radium Life Tech Co., Ltd. Employee Stock Ownership Plan on October 20, 2020 to handle employee stock ownership trust plans, in order to enhance employee welfare and help employees accumulate wealth, and thus to achieve a win-win and shared benefits for employee and employer.</p> <p>(II) Regarding the operational process of requesting, procuring, and outsourcing, and the selection of qualified suppliers, in the internal control system, the Company has set up the process of "Request, Procurement, Outsourcing, and Acceptance of Unified Procurement," procedure forms, and the "Supplier Management Operations" procedures, to regulate the relevant procurement and outsourcing procedures, new vendor credit investigation, qualification review and other operations. The subsequent implementation will also conduct the supplier phase evaluation, as the basis for future review of suppliers' qualification for continuing business. Audit units and CPAs will also periodically sample the contracts of procurement and outsourcing and the supplier's performance relationship for review. For supplier evaluation and management, please refer to the Company's Corporate Social Responsibility Report.</p> <p>(III) The Company's website has investor relations contact information and client forum, to communicate with the Company, and the responsible department is responsible for responding. As the consideration of protecting shareholders' rights and information transparency, the relevant financial and business information are disclosed on MOPS immediately as required by laws</p>	No variance

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			<p>and regulations. In terms of financial institutions, the Company and the financing institutions perform each other's rights and obligations. By insisting the principle of good faith and maintaining good communication channels, the legitimate interests of both parties are protected.</p> <p>(IV) The directors regularly attend in continuing education every year; the related information is disclosed at the "Directors' Attendance in the Board of Directors Meetings and Their Continuing Education" in the Corporate Governance Section of MOPS. The directors' continuing education was totaled 63 hours in 2021. The following list is the training status of each director:</p> <table border="1"> <thead> <tr> <th>Title and Name</th> <th>Date of course</th> <th>Course provided by</th> <th>Name of course</th> <th>Hours of continuing education:</th> </tr> </thead> <tbody> <tr> <td>Chairman, Lin Rong Shian Vice Chairman, Lin Hua Chun Representative of institutional shareholder, and Liu Yao Kai</td> <td>2021.03.02</td> <td>Taiwan Institute for Sustainable Energy</td> <td>Corporate Sustainable Development Training Course</td> <td>3</td> </tr> <tr> <td></td> <td>2021.09.01</td> <td>Financial Supervisory Commission</td> <td>The 13th Taipei Corporate Governance Forum</td> <td>3</td> </tr> <tr> <td rowspan="2">Representative of institutional shareholder, Shen Ching Peng</td> <td>2021.03.02</td> <td>Taiwan Institute for Sustainable Energy</td> <td>Corporate Sustainable Development Training Course</td> <td>3</td> </tr> <tr> <td>2021.12.02</td> <td>Greater China Financial and Economic Development Association</td> <td>New Mindset of Digital Transformation</td> <td>3</td> </tr> <tr> <td rowspan="5">Independent Director K. C. Chou</td> <td>2021.03.18</td> <td>Securities and Futures Institute</td> <td>Further Education Courses for Fair Treatment of Customers for Directors and Supervisors</td> <td>3</td> </tr> <tr> <td>2021.04.15</td> <td>Taiwan Corporate Governance Association</td> <td>Fubon Insurance Seminar for Director and Supervisor Responsibilities and Risk Management</td> <td>3</td> </tr> <tr> <td>2021.07.22</td> <td>Securities and Futures Institute</td> <td>Discussion of AML and CFT practices</td> <td>3</td> </tr> <tr> <td>2021.09.01</td> <td>Financial Supervisory Commission</td> <td>The 13th Taipei Corporate Governance Forum</td> <td>3</td> </tr> <tr> <td>2021.10.07</td> <td>Securities and Futures Institute</td> <td>Case Study of Frauds of Corporate Financial Statements</td> <td>3</td> </tr> <tr> <td>Independent Directors</td> <td>2021.03.02</td> <td>Taiwan Institute for</td> <td>Corporate Sustainable</td> <td>3</td> </tr> </tbody> </table>	Title and Name	Date of course	Course provided by	Name of course	Hours of continuing education:	Chairman, Lin Rong Shian Vice Chairman, Lin Hua Chun Representative of institutional shareholder, and Liu Yao Kai	2021.03.02	Taiwan Institute for Sustainable Energy	Corporate Sustainable Development Training Course	3		2021.09.01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	3	Representative of institutional shareholder, Shen Ching Peng	2021.03.02	Taiwan Institute for Sustainable Energy	Corporate Sustainable Development Training Course	3	2021.12.02	Greater China Financial and Economic Development Association	New Mindset of Digital Transformation	3	Independent Director K. C. Chou	2021.03.18	Securities and Futures Institute	Further Education Courses for Fair Treatment of Customers for Directors and Supervisors	3	2021.04.15	Taiwan Corporate Governance Association	Fubon Insurance Seminar for Director and Supervisor Responsibilities and Risk Management	3	2021.07.22	Securities and Futures Institute	Discussion of AML and CFT practices	3	2021.09.01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	3	2021.10.07	Securities and Futures Institute	Case Study of Frauds of Corporate Financial Statements	3	Independent Directors	2021.03.02	Taiwan Institute for	Corporate Sustainable	3	
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			<p>(V) In terms of the implementation of risk management policies and risk measurement standards, the Board of Directors of the company is the highest decision-making unit for risk management. Since the performance of the construction industry is deeply affected by economic fluctuations, the Company has been actively deploying the development of the operating business system in recent years, such as Subsidiaries responsible for the operation T9 BOT case, which created rental income for asset management; and the Taoyuan Wastewater Sewerage System BOT business of the subsidiary Rih Ding Water Enterprise created stable revenue, including diversification incomes from department stores, hotel, circular economy, cosmetics and skin care products sales. It not only infuses the relatively stable income and cash flow of the group, but also reduces the impact of the construction economic cycle and the company's operational risks. Additionally, the Company evaluates and measures risks based on various aspects including the market and brand, financial investment, information security and climate change. By doing so, we can prevent the Company from overexposure. For the Company's risk management strategies, the internal control has a "Operational Procedures of Internal Control Operational Deficiency Point-Recording," which divide the internal control check results into three levels: major risk, medium risk and low risk, as a reference for the management of risk control, and to formulate relevant improvement measures to respond to or mitigate risks. Please refer to the CSR Report.</p> <p>(VI) Since September 2007, the Company has purchased "Directors, Supervisors and Managerial Officer Liability Insurance" from Nan Shan Property & Casualty (formerly AIA Property & Casualty, changed its name to</p>																															

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			<p>Chartis Taiwan at the end of 2009, and merged into Nan Shan Property & Casualty Insurance in 2016). The contract is renewed once a year, with the coverage of NTD150 million. The main insurance conditions for the most recent renewal period (September 30, 2021 to September 30, 2022) have been reported by the Board of Directors on November 12, 2021.</p> <p>(VII) The Company has set up procedures for "Handling Operation of Material Internal Information" and "Management Operations to Prevent Insider Trading" as the basis for the Company's material information processing and disclosure, and the aforesaid procedures are reviewed from time to time to comply with current laws and regulations, and meet the actual management needs. The additions and amendments of the above-mentioned procedures have been announced on the Company's internal website (EIP), and the latest version is also disclosed on the external official website for insiders and employees to consult at any time. Meanwhile, insiders are notified of the latest laws and regulations and promotions from the competent authorities from time to time, to prevent insiders or employees from accidentally conducting insider trading</p> <p>(VIII) Regarding the Company's managerial officers' attendance in corporate governance-related training in 2020, other than the above (IV) Directors' Continuing Education (referring to directors who are also managerial officers), the rest officers (including corporate governance officer) are as following:</p> <table border="1"> <thead> <tr> <th>Title and Name</th> <th>Date of course</th> <th>Course provided by:</th> <th>Name of course</th> <th>Hours of continuing education:</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Corporate governance officer and financial officer Tina Chen</td> <td>2021.03.02</td> <td>Taiwan Institute for Sustainable Energy</td> <td>Corporate Sustainable Development Training Course</td> <td>3</td> </tr> <tr> <td>2021.07.29</td> <td></td> <td>CEO Lecture and Keynote Speech</td> <td>2</td> </tr> <tr> <td>2021.09.01</td> <td>Financial Supervisory Commission</td> <td>The 13th Taipei Corporate Governance Forum</td> <td>3</td> </tr> <tr> <td>2021.12.02</td> <td>Greater China Financial and Economic Development Association</td> <td>New Mindset of Digital Transformation</td> <td>3</td> </tr> <tr> <td>2021.12.03</td> <td>Taiwan Corporate Governance Association</td> <td>Information Security Handling Practices under the New Normal after COVID-19</td> <td>3</td> </tr> <tr> <td>Group President Kerwin Go, Director Lin Yi Chun</td> <td>2021.03.02</td> <td>Taiwan Institute for Sustainable Energy</td> <td>Corporate Sustainable Development Training Course</td> <td>3</td> </tr> <tr> <td>Accounting officer Rita Liu</td> <td>2021.08.26 ~ 2021.08.27</td> <td>Accounting Research and Development Foundation</td> <td>Continuing education course for accounting officers of issuers, security</td> <td>12</td> </tr> </tbody> </table>	Title and Name	Date of course	Course provided by:	Name of course	Hours of continuing education:	Corporate governance officer and financial officer Tina Chen	2021.03.02	Taiwan Institute for Sustainable Energy	Corporate Sustainable Development Training Course	3	2021.07.29		CEO Lecture and Keynote Speech	2	2021.09.01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	3	2021.12.02	Greater China Financial and Economic Development Association	New Mindset of Digital Transformation	3	2021.12.03	Taiwan Corporate Governance Association	Information Security Handling Practices under the New Normal after COVID-19	3	Group President Kerwin Go, Director Lin Yi Chun	2021.03.02	Taiwan Institute for Sustainable Energy	Corporate Sustainable Development Training Course	3	Accounting officer Rita Liu	2021.08.26 ~ 2021.08.27	Accounting Research and Development Foundation	Continuing education course for accounting officers of issuers, security	12	
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	Yes	No	Abstract Illustration				
				brokers and stock exchanges			
			Audit officer Wang Po Chien	2021.04.15	The Institution of Internal Auditors-Chinese Taiwan	Business Management Legal Risks and Response by Internal Auditors	6
				2021.09.28		Invisible Asset Battle and Protection - Trade Secrets and Prohibition of Competition	6
				2021.11.17		How to Investigate and Improve Business Processes and Fraud Detection Using Digital Technology	6
			Audit Supervisor Representative	2021.11.25	The Institution of Internal Auditors-Chinese Taiwan	Practical Evolution of Materiality Basis for Financial Misstatements and Director and Supervisor Responsibility Determination	3
						Legal Responsibility of Corporate Fraud and Practical Procedures for Investment and Judgment	3

IX. The improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.

The 8th (2021) corporate governance evaluation results had not been announced as of the publication date of the annual report.

The ranking range of the Company's 7th (2020) corporate governance evaluation is between 21% and 35%. Compared to the 6th (2019) corporate governance evaluation of 36% to 50%, it shows that the promotion of the corporate governance culture has been effective and delivered results.

Affected by global climate change and environmental impact in recent years, the idea of "sustainable development" has become a common value shared by countries around the world. Given the fact, the government has been making a proactive approach to promote various related policies. The Company also regards "corporate sustainable development" and "promotion of ESG concepts" as its primary mission for improvement and strengthening. The Board meeting held on March 26, 2021 approved the establishment of the "Corporate Sustainable Development Team" under the Board of Directors, and the "Corporate Governance Team" and "CSR Task Force" have been integrated for management under the "Corporate Sustainable Development Team". In August 2021, the Corporate Sustainable Development Team participated in the "14th TCSA Taiwan Sustainability Award" organized by the TAISE and won a silver award for the Corporate Sustainability Report Category. Actions we continue to make efforts on have demonstrated the Company's determination to promote corporate sustainable development. By being committed to our ESG philosophy, we further implement the corporate governance culture in order to achieve sustainable development.

(IV) If the Remuneration Committee is established, its composition, duties, and operation shall be disclosed:

1. The composition and duties of the Remuneration Committee:

Designation		Criteria Name	Academic Background	Professional qualifications and experiences	State of suitability/ independence	Number of companies where he/she also serves as a member in the Remuneration Committee
Convener (Independent Director)	K. C. Chou				The person, their spouses and second-degree relatives met the following conditions during the two years prior to and during their term of service:	1
Committee member (Independent Director)	Lu Shyue Ching			Please refer to p.20 for contents concerning independent directors		2
Committee member	Ou Chin De		Civil engineering	He has the ability to lead, make decisions and judgments about operations, as well as business management and crisis management competence. Not only has he completed multiple public construction projects, he has also held important government roles for many years, which helps build robust management system for the Company.	1. Not serving as a director, supervisor or employee of the Company or its affiliates; 2. Not holding any proportion or shares of the Company; 3. Not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); 4. Amount of remuneration received for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years did not exceed NT\$500,000. 5. Not been a person of any conditions defined in Article 30 of the Company Act.	1

2. Operation of the Remuneration Committee

(1) There are three members of the Remuneration Committee in total.

(2) Term of the current members: The Company re-elected the directors in the shareholders' meeting on June 24, 2019, and the members of the 4th Term Remuneration Committee were appointed in the Board meeting on July 23, 2019. The term of office is from July 23, 2019 to July 23, 2022. In the recent year (2021), the Remuneration Committee held three (A) meetings, and the attendance of directors is summarized:

Position	Name	Actual attendance	Attendance by proxy	Actual attendance rate (%)	Remarks
Convener (Independent Director)	K. C. Chou	3	0	100.00%	
Committee member (Independent Director)	Lu Shyue Ching	3	0	100.00%	
Committee member	Ou Chin De	3	0	100.00%	

Other items to be stated:

I. If the Board of Directors decline to adopt, or will modify, a recommendation of the Remuneration Committee, state the meeting date, term, contents of motions, resolution of the Board meeting, and the Company's treatment to the opinions of the Remuneration Committee (e.g. the remuneration passed by the Board exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.

II. For the resolutions adopted by the Remuneration Committee, to which a member has a dissenting or qualified opinion which is on record or stated in a written statement, state the meeting date, term, contents of motions, opinion of each member, and the treatment to such opinions: None

III. The operation of the Remuneration Committee during the recent year is described as the following:

Remuneration Committee meeting	Proposal description	Resolution	The Company's treatment to the opinions of the Remuneration Committee
The 4th term 6th meeting 2021.02.03	1. Recognized the motion of the Company's new managerial officers and their remuneration. 2. The motion to discuss the 2019 employee remunerations to managerial officers, and 2020 distribution of year-end bonus.	All members attended and approved the motions as it was unanimously.	The deliberated content by remuneration committee was submitted to the Board of Directors, and approved by all the attending directors as the motion was.
The 4th term 7th session 2021.03.26	1. Motion for discussion of the salary of the Company's newly appointed managers. 2. The motion for the Company's 2020 remuneration to employees, directors and supervisors.	Motion 1 All members of the Committee attended the meeting, and salary targeting 2 managers was provisionally approved. On the meeting, it was recommended that allowances for current supervisors holding positions over Rank 11 and higher shall be re-evaluated and the "Salary Range Table" reviewed, and reported to the Remuneration Committee within 3 months. After it is approved by the Remuneration Committee, adjustment to salary and	For the adjusted contents that shall be reviewed, written information was provided to each of the Remuneration Committee member, and a consensus was reached on June 23, 2021. It was later submitted to the 8th meeting of the 4th

		<p>remuneration to managers is conducted.</p> <p>Motion 2 All members attended and approved the motions as it was unanimously.</p>	<p>Remuneration Committee held on August 10, 2021 for discussion. The remaining motions were submitted to the Board meeting according to the recommendations of the Remuneration Committee and were passed by all attending directors.</p>
<p>The 4th term 8th meeting 2021.08.10</p>	<p>1. Motion for discussion of adjustment to managers holding positions over Rank 11 and higher. 2. The motion to distribute the Company's 2020 remuneration to directors .</p>	<p>All members attended and approved the motions as it was unanimously.</p>	<p>The deliberated content by remuneration committee was submitted to the Board of Directors, and approved by all the attending directors as the motion was.</p>

(V) The State of the Company's Promotion of Sustainable Development, Any Variance from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Any Such Variance :

Promotion Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary	
I. Has the Company established and promoted a sustainable development governance structure and set up a dedicated (or non-dedicated) unit for the promotion of sustainable development, and has the Board of Directors authorized the senior management to handle relevant issues and does the Board supervise the state of affairs with respect to the preceding?	V		<p>Aiming to continue to improve the Company's development of sustainability, the Board meeting held on March 26, 2021 approved to integrate the "Corporate Governance Team" and "CSR Task Force" into the "Corporate Sustainable Development Panel" directly under the Board of Directors. The Panel is responsible for the decision-making and promotion of corporate sustainable development activities and systems, while serving as a cross-departmental communication platform for top-down integration and horizontal linkage. On the Panel, the president serves as the convener and the director as the vice convener, responsible for policy formulation and implementation; the Institution and Public Relation Office serves as the executive secretary, responsible for administrative and coordination affairs, as well as a dedicated (part-time) unit for sustainable development promotion. In order to implement decisions made for corporate sustainability, four teams "Environmental Protection Team, Social Responsibility Team, Corporate Governance Team, Information Security Team" within the Corporate Sustainability Team have been formed, with the top-level supervisor acting as the leader of each team. These four teams coordinate the planning and execution of sustainability operations of their own team and integrate the Company's core operational capabilities jointly reviewed by senior supervisors of different areas to make medium- and long-term sustainable development plans to further facilitate the development of corporate sustainability-related work.</p> <p>The Company's Corporate Sustainable Development Panel plans to hold a meeting at least once each quarter. Through the quarterly meeting and the task team, the Panel identifies sustainability issues associated with the Company's operations and stakeholders' concerns, and prepares strategies, formulates work guidelines, creates budgets for each organization and sustainable development, and plans and implements annual plans. Furthermore, the Panel also follows up on the effectiveness of implementation to ensure that sustainable development strategies are thoroughly implemented in the Company's daily operations.</p> <p>The Corporate Sustainable Development Panel plans to report to the Board of Directors at least once a year regarding the results of sustainability implementation and future work plans. Two meetings were held during the first year of the Panel in 2021, covering issues such as (1) identification of sustainability issues that require attention to make action plans; (2) objectives and policy formulation for sustainability-related issues; (3) monitoring of the implementation of sustainable management matters and evaluation of their execution.</p> <p>In 2021, related business operations (including ESG report) were reported to the Board meeting held on September 15 and December 24. The Corporate Sustainable Development Panel proposed sustainability strategies to the Board meeting. The Board of Directors ensured that the setting of objectives, management guidelines, strategy development, review measures and the compilation of the Sustainability Report (formerly known as the Corporate Social Responsibility</p>	No variance

			Report, renamed in line with amendment of the laws made in December 2021) were completed in the prescribed time. Moreover, the Panel also urges the Management Team to make necessary adjustments.	
II. Does the company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		Our own relevant best practice principles have been formulated pursuant to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies". In addition, stakeholders' material concerns are identified through identification, ranking, verification, and review. According to the materiality principle, issues that may pose an impact on the environment, society and corporate governance associated with the Company's operations are focused. Meanwhile, the review of the Company's implementation results in various aspects, serve as a basis for subsequent review and improvement, to achieve the Company's vision of sustainable development.	No variance
III. Environmental Issues (I) Has the Company set an Environmental management system designed to industry characteristics?	V		As Taiwanese society is highly developed, people value the environmental quality increasingly. In addition to implementing energy-saving, power-saving, and water-saving measures in its operations, the Group also establishes relevant environmental management systems based on its industrial characteristics, such as ISO14001, TAF, and traffic lane air pollution prevention. Among them, the ISO14001 certification was obtained on April 15, 2017, and the valid period is from April 5, 2020 to April 5, 2023, which has improved environmental performance and reduced negative environmental risks. In 2022, ISO14064-1 is expected to be implemented and verified by a third-party. For related environmental management measures and performances, please refer to the Company's website and the Sustainability Report.	No variance
(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	V		The Company is in the construction industry, and most of the new projects apply green building designs, and use construction materials and carbon-coated materials that meet the environmental protection green building materials label; for the building exterior, it considers thermal insulation design and adds solar power equipment as an alternative energy source to reduce energy consumption. In terms of construction waste, it is collected and treated separately from general household waste, and waste classification, itemized collection and recycling are implemented, with regular report as required by laws and regulations. During 2021, through various measures such as the replacement of 52 LED flat panel office lights, additional circulating fans for reducing the difference in indoor and outdoor temperatures, additional LED spotlights, replacement of variable frequency air conditioners and exhaust fans, introduction of the outdoor air to reduce the use of air conditioning and linking of intake fans with thermometers, a total of 62.4 kWh of electricity was saved the whole year.	No variance
(III) Has the company evaluated the potential risk and opportunity induced by climate change and deploy possible solutions	V		We keep a close eye on potential risks arising from climate change on our business and future operations. To demonstrate the world's joint effort to mitigate climate change, the Company has incorporated climate change issues as one of the top priorities for the Corporate Sustainable Development Panel. The Environmental Protection Team reports on greenhouse gas (GHG) management benefits and	No variance

to face the problem?		<p>climate change results at work meetings.</p> <p>We review climate change management throughout the year to help the Company make improvements on related issues. Furthermore, to propose relevant management approaches, future potential operational risks and opportunities are identified using the analysis framework of TCFD principles. For more details, please refer to chapters of “Climate Risk Management” in the Sustainability Report.</p>																
(IV) Did the company collect the data of the past two years on GHG emission, water consumption and the weight of waste as well as set up related environmental impact reduction policy?	V	<p>The Company’s GHG emissions, water consumption and total volume of waste for the past two years are as follows:</p> <table border="1" data-bbox="587 456 1230 992"> <thead> <tr> <th data-bbox="587 456 810 488">Item</th> <th data-bbox="810 456 1026 488">2020</th> <th data-bbox="1026 456 1230 488">2021</th> </tr> </thead> <tbody> <tr> <td data-bbox="587 488 810 607">Greenhouse gas emission (Scope 1: fuels) (Note1)</td> <td data-bbox="810 488 1026 607">33,387kgCO₂e</td> <td data-bbox="1026 488 1230 607">39,722kgCO₂e (Note3)</td> </tr> <tr> <td data-bbox="587 607 810 725">Greenhouse gas emission (Scope 2: power) (Note2)</td> <td data-bbox="810 607 1026 725">143,029kgCO₂e</td> <td data-bbox="1026 607 1230 725">87,166kgCO₂e (Note3)</td> </tr> <tr> <td data-bbox="587 725 810 779">Water usage</td> <td data-bbox="810 725 1026 779">1,554m³</td> <td data-bbox="1026 725 1230 779">1,366 m³</td> </tr> <tr> <td data-bbox="587 779 810 840">Waste</td> <td data-bbox="810 779 1026 840">11,680.17kg(Estimated Value)</td> <td data-bbox="1026 779 1230 840">1,1295kg</td> </tr> </tbody> </table> <p>Note1: Scope 1: each liter converted to the CO₂ emission (per liter gasoline=2.24 kg) Note2: Scope 2: Bureau of Energy, MOEA sets the basis for the electricity carbon emission factor for 2020 was 0.502 kg CO₂e/kWh Note3: GHG emissions data will be verified by a neutral party.</p> <p>The Company has established key performance indicators (KPIs) for energy saving and control, and gradually require electricity bills and power consumption to be reduced by 3% comparing to the same period of the previous year (please refer to the Company’s website and the Sustainability Report). The Company will continue to promote energy-saving policies and encourage employees to face and handle GHG management issues.</p>	Item	2020	2021	Greenhouse gas emission (Scope 1: fuels) (Note1)	33,387kgCO ₂ e	39,722kgCO ₂ e (Note3)	Greenhouse gas emission (Scope 2: power) (Note2)	143,029kgCO ₂ e	87,166kgCO ₂ e (Note3)	Water usage	1,554m ³	1,366 m ³	Waste	11,680.17kg(Estimated Value)	1,1295kg	No variance
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IV. Social Issues (I) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V	<p>We strive for fulfilling our corporate social responsibility, protecting the basic human rights of all employees, and abiding by spirit of the United Nations Global Compact and Universal Declaration of Human Right” regarding human rights, labor standards and anti-corruption. At the same time, we follow Taiwan’s labor laws and regulation to eliminate human rights breaches. In order to ensure that our daily activities meet business ethics, we have formulated basic codes of conduct for directors, managerial officers, general employees and procurement personnel to comply with. These Codes include the “Corporate Governance Best Practice Principles”, the “Ethical Corporate Management Best Practice Principles”, the “Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers”, the “Management Practices for Prevention of Insider Trading”, and “Management Practices for Related Party Transactions (IFRS Applicable)”. Our employees, customers and vendors are treated with dignity, while we continue to improve the management of human rights-related issues. Meanwhile, the Company expects its partners, including suppliers, to jointly make an effort on human rights issues and emphasize the management of related risks with the same standards. To achieve this, basic norms are provided in the contract entered into by the two parties.</p> <p>Our human rights policies and norms are disclosed on the</p>	No variance															

			official website and intranet site for employees.	
(II) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	V		<p>The Company plans HR Management Regulations in accordance with laws and regulations and carries out reviews on related personnel system while establishing strategies to accommodate changes in the social and economic environment. The Company also attaches great importance on the employee's salaries and benefits - in terms of the remuneration system: not only are the employee's bonuses linked to the Company's operating performance, but personal performances are equally crucial, so that the Company and employees can jointly create a win-win situation. As it is the Company's determination to achieve diversity and equality in the workplace.</p> <p>In terms of the leave system, aside from the statutory two-day weekend and national holidays, 7 special holidays are given to employees with one year of service; 3 special holidays are given to employees with six months and less than a year of service. The number of holidays is increased according to seniority.</p> <p>In terms of the welfare system: the Employee Welfare Committee plans diversified welfare measures to enhance the friendship among co-works as well as looking after the employee's physical and mental health.</p> <p>In addition to subsidies for marriages, childbirths, funerals, birthdays, gifts or vouchers for three major festivals, we also provide employees with travel allowances and discounts for buying houses. As well this, we introduced an e-welfare platform in 2020 to strengthen communication with employees. Through the digital integration platform, we provide employees with diverse autonomous choices to satisfy the preferences and needs of employees of different generations, showing our utmost care for employees.</p>	No variance
(III) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V		<ol style="list-style-type: none"> 1. To ensure the safe management and maintenance of the working environment of employees, any visitor must go through the security personnel and access control on the first floor to access and reach the designated floors. The Company also cope with the office building management unit for various safety drilling or tests. In 2021, two building fire drills were conducted at the same time, in order to strengthen the concept of employees' occupational safety and the maintenance of working environment safety, the Company organizes occupational safety and health trainings for occupational safety and health officers, new employees and general employees pursuant to laws.. 2. As it is our aim to keep all employees healthy, we arrange employee health examinations each year. We also organize health seminars from time to time and an on site health service system. Moreover, a consultation service is arranged for employees with high-risk health examination results with their improvement situation continuously tracked. We also provide employees with relevant health information and consultation services. 3. To provide employees with an outstanding and safe workplace environment, SGS Taiwan Ltd. is retained to carry out various office environment testing tasks on a regular basis each year. The office lighting and CO2 concentration levels are tested once a year; the workplace is disinfected one a year; and the quality of the water from the drinking fountain is tested once every quarter. The office is 	No variance

			<p>also equipped with employees who were trained as qualified first-aiders, and with general household medicines and related medical supplies.</p> <p>4. In response to the COVID-19, the Company immediately established a pandemic prevention mechanism and planned a contingency plan. From building access control and visitor management, pandemic prevention notification, simulated working from home testing, to regular voluntary questionnaire surveys, among other things, there are clear management measures and strict implementation, to maintain a safe and healthy working environment for employees.</p> <p>5. The Company's 2021 recordable occupational injury rate is 0; there were no occurrences of major disasters.</p> <p>6. Other safety and health promotion, reminders and announcements in the workplace: The Company reminds employees of COVID-19 prevention measures, workplace hazards and risks, the prevention of muscle pain after sitting for prolonged periods, and work-related stress (mental health). Warning signs and anti-collision strips have also been set up in the stairwells, high shelves and walkways; safety warnings are displayed on office equipment, shredders, and cutters.</p>	
(IV) Has the Company established effective career development training plans?	V		<p>The Company has set up an effective career development training program for employees. Each year, a budget is created to arrange a series of suitable training courses focused on different ranks on a regular basis or from time to time. The Program offers general education, self-improvement and professional and management courses carried out in the form of lecture forums, online courses and workshops.</p> <p>We continue to optimize our HR management system. Through performance appraisals each year, we are able to understand the employee's job performance so that we can assist them in achieving the goals in their career development and promotion planning.</p> <p>We also have a talent pool system in place to strengthen the precision of talent cultivation, while increasing manpower utilization and reserving efficiency. Moreover, the Company also plans to arrange relevant cross-field courses or internal job rotation opportunities hoping to add more diversity and innovation to our employee's career development.</p>	No variance
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer or customer protection and grievance policies?	V		<p>The Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling are handled pursuant to related laws and regulations, and the legitimacy is regularly reviewed. If there are negotiation terms, the customer's consent is also obtained. In addition, at the official website platforms of the company's products, there are customer service section and a forum function. Stakeholders involved in procurement, engineering, sales and customer service may express their opinions and complaint needs through the above service section, and the Company's accountable units are responsible for responding and processing, to protect the interests of all stakeholders.</p>	No variance
(VI) Does the company formulate a supplier management	V		<p>The Company has a Unified Procurement Division and "Supplier Management Operating Procedures" in place to carry out appropriate evaluation procedures on vendors. Before establishing business relationship with suppliers, the</p>	No variance

<p>policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and the implementation?</p>		<p>Company first collects and evaluates whether there are any records affecting the environment and society, records of government procurement rejections or major labor safety incidents, as an important reference for evaluating whether to include the suppliers into the Company's qualified suppliers, as well as to ensure that the new supplier does not result in any significant impact on society. In addition, suppliers must observe the Group's unified procurement management system. Other than accepting vendor's evaluation, the contract also includes the Occupational Safety and Health Act, site labor safety and health, and prohibition of hiring illegal workers, to protect labor rights, ethics, and integrity. Contracts entered into with suppliers are reviewed by legal personnel and the impact of procurement activities on the environment in the place of origin is evaluated. In case of violation of the aforesaid circumstances, a fine may be imposed according to the contract terms, or the contract may be terminated or cancelled any time. In 2021, we conducted a total of 71 times of supplier evaluations, of which 8 suppliers received stellar scores and 4 suppliers who did not pass the assessment would be listed as unqualified suppliers to the Company, and would be recorded and have all rights suspended.</p>	
<p>V. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company obtain third party assurance or certification for the reports above?</p>	<p>V</p>	<p>The Company's 2021 Corporate Sustainability Report is prepared in accordance with the GRI Standard issued by the Global Reporting Initiative. The independent limited assurance is performed by PwC Taiwan in accordance with SAES No.1 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (with reference to ISAE 3000) of the Accounting Research and Development Foundation (ARDF).</p>	<p>No variance</p>
<p>VI. If the Company has established the sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the Principles and their implementation: In a bid to fulfill our responsibility in sustainable development and implement the concept of giving back to society, the Company's Board meeting held on December 8, 2016 resolved to formulate the "Corporate Social Responsibility Best Practice Principles". Provisions are amended and updated in accordance with the laws and the current situation. The latest amendment was approved by the Board of Directors in March 2022 and these Principles were renamed as "Corporate Sustainable Development Best Practice Principles". The Principles serve as the guidelines for promoting the short-, medium- and long term plans of the Company's corporate sustainable development program. The Company's corporate sustainable development implementation is regularly reviewed in accordance with the Sustainability Report. The Corporate Sustainable Development Panel reviews the implementation status on a routine basis and makes improvements in accordance with the Principles. Since the Principles were put into effect, there have been no discrepancies in the implementation. For the state of operation and results, please refer to the Company's website or Market Observation Post System.</p>			
<p>VII. Other important information to facilitate better understanding of the company's implementation of sustainable development: Please refer to the Company's website for information related to sustainable development. 1. The "Corporate Sustainable Development" Section (http://www.radium.com.tw/social) 2. "Sustainability Information" Section (http://www.radium.com.tw/news/3cBZt3ETtaTXDhJ7).</p>			

(VI) Fulfillment of Ethical Corporate Management, and variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance:

Assessment Item	Implementation Status			Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance
	Yes	No	Summary	
<p>I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(I) Does the company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(II) ether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(III) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and appealing procedures, and periodically reviews and revises such policies?</p>	V		<p>(I) The Company has formulated the "Ethical Corporate Management Best Practice Principles" approved by the Board of Directors, regulating the standards to be complied with by directors and managerial officers when performing their duties. The policy of ethical management is specified in the regulations, external documents and the Company's website, as well specified in the "Employment Contract " or the appointment contract, requiring all employees or appointed managerial officers to observe; the incumbent employees must sign the "Corporate Management Best Practice Principles" consent form. At the same time, the Company specifies the relevant employee confidentiality agreement in the "Employment Contract. "For the business, documents and customer information a employee manages, absolute confidential obligation shall be assumed, and he/she shall not disclose it unless it is legally ordered or approved. In addition, the Company regularly organizes trainings and promotions for employees to fully understand the Company's determination, policies, prevention programs and consequences of violations of unethical conduct, to implement the ethical management policy and actively prevent unethical conducts.</p> <p>(II) The Company's " Ethical Corporate Management Best Practice Principles" has established principal regulations for the business activities with higher risks of unethical conducts set forth in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies." In the future, it will gradually develop specific preventive measures. In the Company's orientation for new employees, "Instructions for Employees' Life", "Regulations of Reward and Punishment Management" and " Ethical Corporate Management Best Practice Principles," it all expressly prohibits receiving entertainment and gifts from suppliers, clients, contractors or competitors related to the group. Employees must not exploit their authorities to engage in activities with conflict of interests with the Group for obtain illegal benefits. Violators will be severely punished, in order to promote the importance of ethical conducts and related disciplinary regulations. In addition, the Company has also formulated the "Code of Ethical Conduct for Directors and Managers" as a basis for implementing ethical management.</p> <p>(III) The company has set up the "Code of Ethical Conduct for Directors and Managerial Officers," specifying various regulations, such as preventing conflicts of interest, preventing personal gains, confidentiality, fair</p>	No variance.

Assessment Item	Implementation Status			Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance
	Yes	No	Summary	
			<p>trading, prohibiting insider trading, protecting and appropriately using company assets, observing laws and regulations, and encouraging reporting conducts illegal or violating ethical code of conduct, as well as the disciplinary measures, as the basis for compliance.</p> <p>(IV) In order to implement the Ethical Corporate Management Best Practice Principles and to effectively control and manage reported cases, and to establish smooth reporting channels and fair investigation procedures to correct possible misconduct, the Company has formulated the Reporting Management Regulations as approved by the board of directors, and established a whistleblower mailbox on the official website of the Group for internal and external personnel. Once a reported case is accepted, the confidentiality of the identity of the whistleblower and the content reported will be ensured throughout the investigation process. If an employee is proved to have violated rules, it shall be handled in accordance with the Company's Regulations of Reward and Punishment Management. If there is indeed a violation of relevant laws and regulations as proved in the investigation, the Company will take appropriate legal actions when necessary to protect the Company's reputation and rights and interests.</p>	
<p>II. Ethic Management Practice</p> <p>(I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p>	V		<p>(I) In the contract signed with agencies, suppliers, customers or other business partners, the Company has added provisions to comply with ethical management. In the event of unethical conducts, the Company may terminate or cancel the contract at any time.</p>	No variance.
<p>(II) Has the company set up a dedicated responsible unit to promote corporate ethical management under the Board of Directors, and has such unit reported its execution in terms of ethical management policy and preventive programs against unethical behaviors and the supervision status to the Board of Directors on a regular basis (at least once a year)?</p>	V		<p>(II) When the Company conducts business activities with its counterparties, it uses credit investigation procedures in advance to verify the transaction records and credit records of its counterparties, avoiding transactions with parties with records of unethical conducts, and terms of penalties for violations of ethics are specified in contracts.</p>	No variance.
<p>(III) Does the company have any policy that prevents conflict of interest, and channels that facilitate the reporting of conflicting interests?</p>	V		<p>(III) In order to improve the management of ethical management, the corporate governance team is responsible for the formulation, supervision and implementation of ethical management policies and prevention programs, and regularly reports to the Board of Directors on their implementation at least once a year. The most recent report date was December 24, 2021. The Company has formulated policies to prevent conflicts of interest through the "Instructions for Employee Life", "Regulations of Reward and Punishment Management" and "Ethical Corporate Management Best Practice Principles." If any employee finds any illegal activity, pursuant to the provisions of "Reporting Management Regulations, "he/she may report such acitivity and the corporate governance team is</p>	No variance.

Assessment Item	Implementation Status			Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance
	Yes	No	Summary	
(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the prevention of unethical behaviors, or entrust an account to carry out the review?	V		responsible for accepting. If employees of the Company violate this Principles, they shall be treated in accordance with the Company's "Regulations of Reward and Punishment Management"; if there is a violation of relevant laws and regulations, the Company will take appropriate legal actions when necessary to protect the Company's reputation and interests. (IV) The Company has established a rigorous accounting system and set up a dedicated accounting unit. Financial reports are reviewed by CPAs to ensure the adequacy of financial information disclosure; internal auditors conduct regular/extraordinary reviews pursuant to laws and regulations and operational needs, to implement the internal control system.	No variance.
(V) Does the company organize internal or external training on a regular basis to maintain business integrity?	V		(V) The senior management of the Company attend in the relevant external courses organized by the competent authorities every year; meanwhile, the Company's regular internal training courses for new employees and various internal key training courses (e. g. officer training) also cover relevant promotion of ethical management. At least once a year, the Company educates all insiders such as directors and managers in accordance with the "Management Operations to Prevent Insider Trading" and related laws and regulations, and holds digital courses on the internal learning platform of the "Ethical Corporate Management Best Practice Principles." The promotion, prevention and information announced in letter by the competent authorities forwarded to the directors and managerial officer and all insiders, for them to know, seeking to help employees understand the laws and regulations through the promotion and courses, so that employees and managerial officers will observe fully when conducting their business.	No variance.
III. Operation of the Whistleblowing System (I) Does the company have a specific whistleblowing and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?	V		(I) The Company has established a whistleblowing mailbox on the Company's official website for internal and external persons to use. The corporate governance team is responsible for accepting whistleblowing cases, and the corporate governance officer serves as the convener of investigation for the whistle-blown cases. Whistle-blowing cases are divided into general cases and these involving directors or senior management. Once accepted, an investigation team will be formed according to the content of the whistle-blown case. After the investigation is completed, the convener of the investigation team will report to the corporate governance team or the Audit Committee, and the governance team or the Audit Committee will review and make recommendations for disciplinary actions. The relevant units also review the relevant internal control system and operating procedures, and propose specific improvement measures to prevent the same situation from happening again.	No variance.

Assessment Item	Implementation Status			Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance
	Yes	No	Summary	
(II) Has the company implemented any standard procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling reported misconduct?	V		(II) Once the reported matter is accepted, the confidentiality principle shall be followed and the investigation and evidence collection shall be conducted pursuant to the "Reporting Management Regulations;" the identity of the informant and the content of the report shall be kept confidential.	No variance.
(II) Has the company taken appropriate measures to protect the whistle-blower from suffering any consequences of reporting an incident?	V		(III) If the Company accepts any whistle-blown case, in order to protect the whistleblower, the case shall be handled in a confidential manner. The relevant personnel and interested persons in the handling of the case shall be responsible for keeping the identity of the whistleblower, the content of the allegation and the investigation process confidential. If there is a violation of confidentiality, those who are obliged will be treated in accordance with the Company's "Regulations of Reward and Punishment Management", and the Company also promises to protect the whistleblower from being improper treatment due to the whistle blowing.	No variance.
IV. Strengthening of Information Disclosure Does the company have the contents of ethical corporate management and its implementation disclosed on the website and MOPS?	V		The Company has disclosed the "Ethical Corporate Management Best Practice Principles" on the website and MOPS, regulating the standards to be complied with by directors and managerial officers when performing their duties. Also it is well specified in the "Employment Agreement" or the appointment contract, requiring all employees or appointed managerial officers to observe; the incumbent employees must sign the "Ethical Corporate Management Best Practice Principles" consent form. The training courses for new employees and various internal key training courses (such as officer training, etc.) cover the promotion of ethical management.	No variance.
V. For companies who have established Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the current practice and any variance from the code of conduct: The Company has established the Ethical Corporate Management Best Practice by referring to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," to strengthen the corporate culture with ethical management, and serve as the compliance basis for the board members, managerial officers, and employees. Currently, there is no variance.				
VI. Other material information that helps to understand the practice of ethical management of the company: (e.g., the review and revision of the best-practice principles of the Company in ethical management) Always monitor the development of relevant domestic and overseas standards for ethical management, for review and improve the company's Ethical Corporate Management Best Practice Principles according, and prevent the violations of ethical management from occurring, to implement the Company's ethical management philosophy.				

(VII) If the Company established the corporate governance guidelines and related articles, please disclose the inquiry method: Please refer to the governance section on the Market Observation Post System (MOPS) or the governance section on the Company's official website.

(VIII) Other important information that is sufficient to enhance the understanding of the operation of corporate governance shall be disclosed all together: Please refer to (3) in this article for the Company's corporate governance for more details.

(IX) The following shall also be disclosed in the implementation of the internal control system:

1. Internal control system:

Radium Life Tech Co., Ltd.
Declaration of Internal Control

Date: March 29, 2022

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year 2021:

- I. We understand it is the responsibility of the Company's management to have internal control system established, enforced, and maintained. The purpose is to provide reasonable assurance on the achievement of operating effectiveness and efficiency (including profits, performance, and assets safeguarding), reporting matters with reliability, timeliness, and transparency, and compliance with the relevant law and regulations.
- II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental, and situational changes may affect the effectiveness of internal control policies. Nevertheless, the internal control system of the Company contains self-monitoring mechanisms, and corrective action is taken whenever a deficiency is identified.
- III. The Company has based on the criteria of the internal control system effectiveness in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (referred to as the "Regulations" hereinafter) to determine the effectiveness of the internal control system design and implementation. The criteria introduced by "Regulations" consisted of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision. Each element further contains several items. Please refer to the "Regulations" for the details of the said items.
- IV. The Company has adopted the above judgment items of internal control system to assess the design and operating effectiveness of the internal control system.
- V. Based on the findings of the evaluation, the Company believes that, as of December 31, 2021, its internal control system (including supervision and management of subsidiaries) as well as monitoring the achievement of its objectives concerning operational effectiveness and efficiency; reliability, timeliness and transparency of the reporting and compliance with applicable laws, regulations, etc. were effective in design and operation, and reasonably assured the achievement of the above-mentioned objectives.
- VI. The Declaration of Internal Control is the content of our annual report and prospectus for the information of the public. For any forgery and concealment of the aforementioned information to the public, we will be held responsible by law in accordance with Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
- VII. The declaration has been passed by board in the meeting held on March 29, 2022, with all 7 attending directors affirming the content of the declaration.

Radium Life Tech Co., Ltd.
Chairman: Lin Rong Shian
President: Liu Yao Kai

2. If a CPA is entrusted to perform a special audit on the internal control system, the audit report shall be disclosed: None.

(X) List of discipline, significant deficit, and improvement status of violation of internal control system in the most recent fiscal year and up to the date of publication of the annual report: None

(XI) Important resolutions at shareholder’s meetings and Board of Directors meetings in the most recent fiscal year and up to the date of publication of the annual report:

1.Important Resolutions of the Board of Directors

Meeting Date	Important Resolutions
2021.2.3	<ul style="list-style-type: none"> • Recognized the motion of remunerations to the Company's new managerial officers. • Recognized the motion to provide endorsement/guarantee to a subsidiary’s credit case. • Recognized the motion to subscribe funds. • Recognized the motion for the Company to renew the leasing contract of offices and parking lots from a subsidiary. • Approved the motion to amend the Company’s “Internal Control System” (including enforcement rules for internal audits). • Approved the motion for the Company to reduce the limit when providing endorsement and guarantee to the subsidiary’s credit. • Approved the motion to provide endorsement/guarantee to a subsidiary’s credit case. • Approved the motion for the Company to apply for credit limit from a financial institution. • Approved the motion for the Company to sign the new implementer contract of the “the urban renewal project for Lot 246, Subsection 3 Gongyuan Section, Zhongzheng Dist., Taipei City”. • Approved the motion to relieve the Company’s managerial officers from the non-competition restriction. • Approved the motion to distribution of the 2019 employee remunerations and compensation to managerial officers
2021.3.26	<ul style="list-style-type: none"> • Approved the motion of the Company’s organizational adjustment. • The motion to elect the Vice Chairman of the 9th Term • Approved the motion of the Company's new managerial officers and their remuneration. • Approved the motion for the Company's 2020 business report, consolidated financial statements and standalone financial statements. • Approved the motion for the Company's 2020 earnings distribution. • Approved the motion for the Company’s 2020 remuneration to employees, directors and supervisors. • Approved the motion for the Company to release 2020 Declaration of Internal Control. • Approved the motion to amend and add the Company’s “Internal Control System” • Approved the motion to amend to the company’s “Articles of Incorporation” • Approved the motion of the execution effect of the first batch of first overseas unsecured convertible bonds of 2004. • Approved the motion to determine the convention of 2021 general shareholders’ meeting • Approved the motion for the Company’s 2021 operating plan. • Approved the motion for the 2021 replacement of the Company’s CPAs assessment on the independence and competency of the CPAs. • Approved the motion of a related party’s plan to purchase a property and parking lot at the Genesis. • Approved the motion for the Company to apply for credit limit from a financial institution. • Approved the motion for the Company to apply for performance bond limit from a financial institution. • Approved the motion for the Company’s plan to participate the public tender of urban renewal implementer for the “Land of Special Commercial Zone (Ten) at Taipower Taipei Storage and Operation Center Old Location in Nangang (AR-1-2).” • Approved the motion for the Company’s plan to participate the public tender of contractors for the “Joint-Construction Development at Land No. 427 and 428 at Tsing-Shan Section, Dayuan District, Taoyuan City.”
2021.5.11	<ul style="list-style-type: none"> • Approved the motion of the Company’s consolidated financial statements for Q1 2021. • Approved the motion of the Company’s 2021 appointed CPAs’ public expenses. • Approved the motion to provide endorsement/guarantee to a subsidiary’s credit case • Approved the motion of the Company’s participation in a subsidiary’s capital increase in cash. • Approved the motion to amend to the company’s “Articles of Incorporation”

Meeting Date	Important Resolutions
2021.7.2	<ul style="list-style-type: none"> • Approved to reschedule the date and venue for the Company's 2021 annual general meeting due to the impact of COVID-19. • Approved the motion for the Company to apply for credit limit. • Approved the Company's continued provision of extension of credit facilities of endorsement/guarantee to subsidiaries • Approved the motion for the Company to issue the first batch of secured ordinary corporate bonds in installments in 2021. • Approved the motion for the Company to apply for guarantee limit from a financial institution. • Approved the motion to sign a sale and purchase contract for "The Genesis" in Sanzhi with a related party. • Approved the motion to sign the construction contract in Sanzhi with a subsidiary.
2021.8.10	<ul style="list-style-type: none"> • Approved the motion of the Company's consolidated financial statements for Q2 2021. • Approved the motion to amend the Company's "Internal Control System". • Approved the motion to increase the Company's donation to Radium Foundation ◦ • Approved the motion to sign an investment contract for the "Land Development Project for WuRi WenXin BeiTun Line Nantun Station of the Taichung MRT Systems" with Taichung City Government. • Approved the motion to set the base date for the Company's dividend distribution and matters in relation to dividend distribution. • Approved the motion for the Company to apply for credit limit from a financial institution.
2021.8.30	<ul style="list-style-type: none"> • Approved the motion for the Company to participate in the bidding of "Renewal of Furnace of Tainan City's Chengxi Incinerator BOT Project".
2021.9.15	<ul style="list-style-type: none"> • Approved the motion for the Company to apply for credit limit from a financial institution. • Approved the motion to provide endorsement/guarantee to a subsidiary's credit case.
2021.11.12	<ul style="list-style-type: none"> • Motion to recognize the Company's investment in subscription of "KGI ESG Sustainable Emerging Market Bond Fund". • Recognized the motion for the Company to reduce the limit when providing endorsement and guarantee to the subsidiary credit. • Approved the motion for the Company to participate in the bidding of the "Reclaimed Water BTO Project of North District Water Resources Recycling Center in Taoyuan". • Approved the motion of the Company's consolidated financial statements for Q3 2021. • Approved the motion to amend the Company's "Internal Control System". • Approved the motion for the Company to apply for credit limit from a financial institution.
2021.12.24	<ul style="list-style-type: none"> • Approved the motion of 2021 audit plans. • Approved the motion to amend the Company's "Internal Control System". • Approved the motion for the Company to reduce the limit when providing endorsement and guarantee to the subsidiary credit. • Approved the motion for the Company to apply for credit limit from a financial institution • Approved the motion for the Company to buy back its shares from the centralized securities exchange market. • Approved the motion of the Company's organizational adjustment.
2022.1.18	<ul style="list-style-type: none"> • Recognize the motion of the Company's organizational adjustment. • Recognized the motion of the Company's new managerial officers and their remuneration. • Approved the motion for the Company to change the internal audit (tracking) report submission process and change of the director candidate responsible for signing for approval. • Approved the motion to amend the Company's "Internal Control System". • Approved the motion for the Company to apply for credit limit from a financial institution. • Approved the motion for the Company's 2022 operating plan. • The motion to distribution of the 2020 employee remunerations.
2022.3.8	<ul style="list-style-type: none"> • Recognized the motion of early termination of the Company's provision of endorsement/guarantee for the subsidiary's credit facilities ◦ • Recognized the motion to provide endorsement/guarantee to a subsidiary's credit case. • Approved the motion of the Company's organizational adjustment. • Approved the motion for amending the Company's employee stock ownership trust ◦ • Approved the motion to amend the Company's "Internal Control System". • Approved the motion of the cancellation of the bought back shares from the Company's fifth execution of treasury shares ◦ • Approved the motion to amend to the company's "The Procedure for Acquisition and Disposition of Assets " • Approved the motion for the election of the Company's 10th Board of Directors. • Approved the motion to determine the convention of 2022 general shareholders' meeting.

Meeting Date	Important Resolutions
2022.3.29	<ul style="list-style-type: none"> • Approved the motion for the Company's 2021 business report, consolidated financial statements and standalone financial statements. • Approved the motion for the Company's 2021 earnings distribution. • Approved the motion for the Company's 2021 remuneration to employees, directors and supervisors. • Approved the motion to amend to the company's "The Corporate Social Responsibility Best Practice Principles" • Approved the motion to nominate and review the Company's directors and independent directors candidates for the 10th Board. • Approved the motion to relieve the Company's 10th Board from the non-competition restriction. • Approved the motion to amend reporting matters of the 2022 annual general meeting. • Approved the motion for the Company to release 2020 Declaration of Internal Control. • Approved the motion to amend and add the Company's "Internal Control System" • Approved the motion for the 2020 assessment on the independence and competency of the Company's CPAs. • Approved the motion for the Company to apply for credit limit from a financial institution. • Approved the motion to invest in establishment of a new company and increase a subsidiary's capital.

2.Important Shareholders Meeting Resolutions and Implementation

Meeting Date	Meeting Date	Important Resolutions
2021.7.29	• Recognized the 2020 Business Report and Financial Statements.	The motion has been approved by voting as the original motion.
	• Recognized the motion for the Company's 2020 earnings distribution.	1. The Company determined in the Board meeting on August 10, 2021, the ex-dividend date as August 31, 2021, and the distribution date as September 15, 2021. 2. The cash dividends were fully distributed.
	• Recognized the motion of the execution effect of the first batch of first overseas unsecured convertible bonds of 2004.	The motion has been approved by voting as the original motion.
	• Approved the motion to amend to the company's "Articles of Incorporation".	The motion was approved by the original motion and registration was approved by the MOEA on August 10, 2021.

(XII) Any other documented objections or qualified opinions raised by directors or supervisors against board resolutions in relation to matters, and their content in the most recent fiscal year and up to the date of publication of the annual report: None.

(XIII) Resignation or discharge of Chairman, president and managerial staff of accounting, finance, internal audit, and research and development in the most recent fiscal year and up to the date of publication of the annual report: In line with the organizational adjustment and corporate inheritance plan, the Board meeting held on March 26, 2021 approved to appoint Lin Hua Chun as Vice Chairman and Vice CEO. Vice CEO and president Shen Ching Peng was appointed as Senior Vice CEO, who relieved of his duty as president. Liu Yao Kai was appointed as the general manager carrying out duties on behalf of the general manager.

IV. Information on CPA Professional Fees

Unit: NT\$ Thousand

Accounting Firm	Name of CPA	Audit Period	Audit fee	Audit fee	Total	Remarks
Deloitte & Touch	Yang, ChingCheng	2021.01.01~2021.12.31	5,200	539	5,739	Non-audit fees include: 1. Business tax computation report for dual-status business entities applying the direct deduction method for NTD 150thousands 2. Advice for fundraising by corporate bonds for NT\$100 thousand 3. Transfer Pricing Report service for NT\$67 thousand 4. Salary information checklist for non-supervisory positions for NT\$50 thousand 5. Matters related to overseas investment for NT\$30 thousand. 6. Other: NT\$142 thousand
	Fang, Alice	2021.01.01~2021.12.31				

V. Replacement of CPA

Due to the internal adjustment of the accounting firm and requirements of the implementation of the rotation mechanism, the Company's CPAs changed to Yang, ChingCheng and Fang, Alice from Gung, Jerry and Liu, Walter from Q1 2021 financial statements.

(I) Regarding the former CPA

Replacement Date	2021 Q1		
Replacement reasons and explanations	Based on the needs of the internal rotation mechanism of the accounting firm		
Describe whether the Company terminated or the CPA did not accept the appointment	Status	Parties	CPA / The Company
	Termination of appointment	N/A	
	No longer accepted (continued) appointment		
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Differences with the company	Yes		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Others
	None	V	
	Remarks/specify details:		
Other Revealed Matters	None		

(II) Regarding the successor CPA

Name of accounting firm	Deloitte & Touch
Name of CPA	Yang, ChingCheng CPA and Fang, Alice H. CPA
Date of appointment	2021 Q1
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(III) The previous CPAs' response to Article 10, Paragraph 6, Subparagraphs 1-2-3 of this Standard: None.

VI. Any of the Company's chairperson, president, or managerial officer in charge of finance or accounting held a position in the CPA's firm or its affiliated companies in the most recent year: None.

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

(I) Transfer or pledge of stake by directors, supervisors, managers and major shareholders holding 10% or more stake:

Unit: shares

Title	Name	2021		2022 up to March 31	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Lin Rong Shian (Note 1)	(1,158,010)	0	0	0
Vice Chairman	Lin Hua Chun(Note 2)	0	0	0	0
Institutional Director	Chang Xin Investment development Co., Ltd.	0	0	0	0
Institutional Director	Shen Ching Peng	0	0	0	0
Representative	Liu Yao-Kai	0	0	0	0
Independent Director	K. C. Chou	0	0	0	0
Independent Director	Lu Shyue Ching	0	0	0	0
Independent Director	Pan Wei Ta	0	0	0	0

Note1: major shareholder with 10% of stake.

Note 2: elected as the Vice Chairman on March 26, 2021.

(II) Transfer of directors, supervisors, managers and major shareholders holding 10% or more stake where the counterparty is a related party: None

(III) Transfer or pledge of stake by managerial officers

Unit: shares

Title	Name	2021		2022 up to March 31	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chief Executive Officer	Lin Rong Shian	(1,158,010)	0	0	0
Senior Vice Chief Executive Officer (Note 1)	Shen Ching Peng	0	0	0	0
Vice Chief Executive Officer, Group President, and Unified Procurement Center President (Note 1)	Lin Hua Chun	0	0	0	0
Interim President and Group President (Note 1)	Liu Yao Kai	0	0	0	0
Group President and Operation and Management Center President	Kerwin Go	0	0	0	0
Administration and Management Center Director	Lin Yi Chun	0	0	0	0
Special Assistant	You Wan Ying	(200,913)	0	0	0
Division Head Environmental Engineering Division (Note 2)	Liu Chug Chun	N/A	N/A	0	0
Vice President	Tsai Chin Tsai	0	0	0	0
Vice President, Administration and Management Center (Note 3)	Henry Tsao	0	0	0	0
Vice President, Finance Division (Corporate governance officer and finance officer)	Tina Chen	0	0	0	0
Vice President, Project Development Division	Mei Yung Ho	0	0	0	0
Vice President, Internal Audit Division	Wang Po Chien	0	0	0	0
Vice President, HSE Planning Division (Note 4)	Daniel Ting	N/A	N/A	0	0
Associate Vice President, Information Technology Management Division	Kevin Yang	0	0	0	0
Associate Vice President, Engineering Management Division	Lee Chun Hung	0	0	0	0
Associate Vice President, Accounting Division (Accounting officer)	Rita Liu	0	0	0	0
Associate Vice President, Legal Division	Lee Chia Hui	0	0	0	0
Associate Vice President, Investor and Public Relations Office	Christine Chen	0	0	0	0
Associate Vice President, Administration Division	Su Chen Shih	0	0	0	0

Note 1: Re-appointment was made on March 26, 2021.

Note 2: Division Head, Liu Chug Chun, was appointed as the Environmental Engineering Division on January 7, 2022.

Note 3: Vice President, Henry Tsao, retired at age-mandated retirement on February 28, 2022.

Note 4: Vice President, Daniel Ting, was appointed as the HSE Planning Division on March 9, 2022.

(IV) Stake transfer or pledge of managerial officers where the counterparty is a related party:

None

VIII. Relationship information, if among the company's top ten shareholders any one is a related party, or spouse or a relative within the second degree of kinship of another:

March 31, 2022

Name	Shareholding by oneself		Shareholding of spouses and children of minor age		Shareholding through nominees		Related parties, or spousal relationship or relatives within second degree of kinship, among top ten shareholders, including their names and relationships	
	Shares	(%)	Shares	(%)	Shares	(%)	Name	Relation
Lin Rong Shian	110,524,167	12.56%	22,104,781	2.51%	58,223,051	6.62%	1. You Wan Ying 2. Golden Century 3. Rih Jun Investment 4. Ding Sheng Digital	1. Spouse 2. Chairman of that company 3. Relative of 2nd degree of kinship to a director of that company 4. Relative of 1st degree of kinship to a director of that company
CTBC Bank Co., Ltd. In custody for Verivia PCC	84,031,547	9.55%	—	—	—	—	—	—
Ding Sheng Digital Life Co., Ltd. Representative: Tang Ching Huey	64,611,434	7.34%	—	—	—	—	1. Lin Rong Shian 2. You Wan Ying	1. Relative of 1st degree of kinship to a director of that company 2. Relative of 1st degree of kinship to a director of that company
Golden Century Co., Ltd. Representative: Lin Rong Shian	58,223,051	6.62%	—	—	—	—	1. Lin Rong Shian 2. You Wan Ying 3. Rih Jun Investment	1. Chairman of that company 2. Supervisor of that company 3. Chairman of Golden Century and Director of Rih Jun Investment are relatives within 2nd degree of kinship.
Rih Jun Investment Co. Ltd. Representative: Lin Rong Shian	33,838,055	3.84%	—	—	—	—	1. Lin Rong Huan 2. Lin Rong Shian 3. You Wan Ying 4. Golden Century	1. Director of that company 2. Relative of 2nd degree of kinship to a director of that company 3. Relative of 2nd degree of kinship to a director of that company 4. Director of Rih Jun Investment and Chairman of Golden Century are relatives within 2nd degree of kinship.
You Wan Ying	22,104,781	2.51%	110,524,167	12.56%	—	—	1. Lin Rong Shian 2. Lin Rong Huan 3. Golden Century 4. Rih Jun Investment 5. Jing Kang Development 6. Ding Sheng	1. Spouse 2. 2nd degree of kinship 3. Supervisor of that company 4. Relative of 2nd degree of kinship to a director of that company 5. Relative of 2nd degree of kinship to a director of that company 6. Relative of 1st degree of kinship to a director

Name	Shareholding by oneself		Shareholding of spouses and children of minor age		Shareholding through nominees		Related parties, or spousal relationship or relatives within second degree of kinship, among top ten shareholders, including their names and relationships	
	Shares	(%)	Shares	(%)	Shares	(%)	Name	Relation
							Digital	of that company
Norges Bank	13,189,284	1.50%	—	—	—	—	—	—
Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	10,880,760	1.24%	—	—	—	—	—	—
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	8,145,715	0.93%	—	—	—	—	—	—
CTBC Bank Employee Stock Ownership Trust Account of Radium Life Tech. Co., Ltd.	8,016,493	0.91%	—	—	—	—	—	—

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company:

December 31, 2021; Unit: thousand shares

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	shares	%	Shares	%
Rih Siang Property Management Co., Ltd.	230,000	100.00%	—	—	230,000	100.00%
Ji Shun Life Tech Co., Ltd.	70,000	100.00%	—	—	70,000	100.00%
Li Jiang Development Co., Ltd.	100,000	100.00%	—	—	100,000	100.00%
Rih Ding Water Enterprise Co., Ltd.	—	—	520,740	100.00%	520,740	100.00%
Rih Yao Development I Co., Ltd.	95,000	100.00%	—	—	95,000	100.00%
Zhao Yao Enterprise Co., Ltd.	235,000	100.00%	—	—	235,000	100.00%
Ri Zuan Green Energy Technology Co., Ltd.	4,050	90.00%	338	7.50%	4,388	97.50%
Radium Far East Co., Ltd.	38,773	99.93%	26	0.06%	38,799	99.99%
Titan Development and Construction Co., Ltd.	120,000	100.00%	—	—	120,000	100.00%
Jing-Jan Investment Holding Co., Ltd.	91,590	61.06%	58,410	38.94%	150,000	100.00%
Radium-kagaya International Hotel Co., Ltd.	15,000	100.00%	—	—	15,000	100.00%
Xin Xiu Ge Hotel Co., Ltd (Note 1)	125	100.00%	—	—	125	100.00%

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	shares	%	Shares	%
Ji Sheng Zih Chan Development Co., Ltd.	—	—	8,700	100.00%	8,700	100.00%
Prit Biotech Co., Ltd.	—	—	10,803	44.79%	10,803	44.79%
Jing-Jan Retail Business Co., Ltd.	—	—	45,001	75.00%	45,001	75.00%
Wan-Da-Tong Enterprise Co., Ltd.	148,000	28.35%	374,015	71.65%	522,015	100.00%
Ding Sheng Green Energy Technology Co., Ltd.	—	—	5,000	100.00%	5,000	100.00%
Wan Tong Digital Technology Co., Ltd. (Note 2)	2,700	90.00%	225	7.50%	2,925	97.50%
Rih Ding Circular Economy Investment Holding Co., Ltd.	68,300	100.00%	—	—	68,300	100.00%
Jing Ding Green Energy Technology Co., Ltd.	740	37.00%	660	33.00%	1,400	70.00%
Jing-Jan Digital Square Co., Ltd.	—	—	2,000	100.00%	2,000	100.00%
Li Jiang Business Consulting (Shanghai)	(Note 3)	100.00%	—	—	(Note 3)	100.00%
Jing Yang Apartment Building Management and Maintenance Co., Ltd.	—	—	980	49.00%	980	49.00%

Note 1: The par value per share of Xin Xiu Ge Hotel shares is NT\$1000.

Note 2: The shareholders' meeting held on April 15, 2021 resolved to dissolve Wan-Tong Digital Technology Co., Ltd. and the liquidation of the company was completed on January 25, 2022.

Note 3: It is a limited company so there are no shares.

Capital Overview

I. Capital and Shares

(I) Source of Capital

1. Issued Share

March 29, 2022 ; Unit : thousand (shares) NT\$

Year Month	Par Value (NT\$))	Authorized Share Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Other
1980/03	10	Note (1)	3,000	Note (1)	3,000	Venture Capital	None	None
1993/03	10	Note (1)	5,000	Note (1)	5,000	Cash	None	None
1994/10	10	19,300	193,000	19,300	193,000	Cash	None	None
1996/01	10	60,000	600,000	60,000	600,000	Consolidated Capital Increase	None	January 20, 1996 MOEA Ruling Ref. No. 120219
1996/08	10	120,000	1,200,000	80,000	800,000	Cash	None	August 27, 1996 MOEA Ruling Ref. No. 113462
1997/11	10	120,000	1,200,000	92,800	928,000	Cash and Retained Earnings	None	November 11, 1997 MOEA Ruling Ref. No. 021303
1998/09	10	120,000	1,200,000	120,000	1,200,000	Cash and Retained Earnings	None	September 29, 1998 MOEA Ruling Ref. No. 087130353
2000/02	10	180,000	1,800,000	138,000	1,380,000	Retained Earnings	None	February 16, 2000 MOEA Ruling Ref. No. 089104657
2001/02	10	180,000	1,800,000	172,500	1,725,000	Capital Surplus and Retained Earnings	None	February 1, 2001 MOEA Ruling Ref. No. 09001032720
2003/01	10	221,800	2,218,000	190,450	1,904,500	Retained Earnings and Employee Bonus	None	January 24, 2003 MOEA Ruling Ref. No. 09201020960
2003/07	10	271,800	2,718,000	190,477	1,904,770	Domestic Convertible Bonds	None	July 30, 2003 MOEA Ruling Ref. No. 09201235310
2003/10	10	271,800	2,718,000	190,517	1,905,174	Domestic Convertible Bonds	None	October 21, 2003 MOEA Ruling Ref. No. 09201296570
2004/01	10	271,800	2,718,000	206,469	2,064,690	Retained Earnings and Employee Bonus and Domestic Convertible Bonds	None	January 20, 2004 MOEA Ruling Ref. No. 09301010050
2004/04	10	271,800	2,718,000	244,046	2,440,456	Domestic Convertible Bonds	None	April 19, 2004 MOEA Ruling Ref. No. 09301065000
2005/11	10	390,000	3,900,000	264,849	2,648,493	Retained Earnings and Employee Bonus	None	November 7, 2005 MOEA Ruling Ref. No. 09401221940
2006/11	10	390,000	3,900,000	346,443	3,464,433	Cash and Retained Earnings and Employee Bonus	None	November 1, 2006 MOEA Ruling Ref. No. 09501239120
2007/03	10	390,000	3,900,000	357,345	3,573,456	Overseas Convertible Bonds	None	March 6, 2007 MOEA Ruling Ref. No. 09601038810
2007/06	10	680,000	6,800,000	382,784	3,827,844	Overseas Convertible Bonds	None	June 26, 2007 MOEA Ruling Ref. No. 09601141040
2007/09	10	680,000	6,800,000	398,032	3,980,319	Retained Earnings and Employee Bonuses	None	September 14, 2007 MOEA Ruling Ref. No. 09601227980
2007/09	10	680,000	6,800,000	448,032	4,480,319	Cash	None	September 26, 2007 MOEA Ruling Ref. No. 09601227980
2008/01	10	680,000	6,800,000	448,043	4,480,434	Domestic Convertible Bonds	None	January 30, 2008 MOEA Ruling Ref. No. 09701023260

Year Month	Par Value (NT\$))	Authorized Share Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Other
2008/04	10	680,000	6,800,000	453,015	4,530,146	Domestic Convertible Bonds	None	April 30, 2008 MOEA Ruling Ref. No. 09701103580
2008/09	10	680,000	6,800,000	508,118	5,081,181	Retained Earnings and Employee Bonus and Domestic Convertible Bonds	None	September 18, 2008 MOEA Ruling Ref. No. 09701241730
2009/02	10	680,000	6,800,000	504,420	5,044,201	Treasury Shares Cancellation	None	February 3, 2009 MOEA Ruling Ref. No. 09801016990
2009/09	10	810,000	8,100,000	524,912	5,249,123	Retained Earnings and Employee Bonus and Domestic Convertible Bonds	None	September 17, 2009 MOEA Ruling Ref. No. 09801214560
2010/01	10	810,000	8,100,000	614,912	6,149,123	Cash	None	January 6, 2010 MOEA Ruling Ref. No. 09801302230
2010/05	10	810,000	8,100,000	625,065	6,250,650	Domestic Convertible Bonds	None	May 4, 2010 MOEA Ruling Ref. No. 09901089730
2010/09	10	810,000	8,100,000	646,233	6,462,334	Retained Earnings and Employee Bonuses	None	September 29, 2010 MOEA Ruling Ref. No. 9901219590
2010/10	10	810,000	8,100,000	651,178	6,511,776	Domestic Convertible Bonds	None	October 26, 2010 MOEA Ruling Ref. No. 09901241450
2011/02	10	810,000	8,100,000	651,598	6,515,976	Domestic Convertible Bonds	None	February 22, 2011 MOEA Ruling Ref. No. 10001034880
2011/05	10	810,000	8,100,000	651,679	6,516,794	Domestic Convertible Bonds	None	May 23, 2011 MOEA Ruling Ref. No.10001098220
2011/07	10	810,000	8,100,000	651,717	6,517,166	Domestic Convertible Bonds	None	July 27, 2011 MOEA Ruling Ref. No. 10001171070
2011/08	10	810,000	8,100,000	694,842	6,948,423	Retained Earnings and Employee Bonuses	None	August 24, 2011 MOEA Ruling Ref. No. 10001197830
2011/10	10	950,000	9,500,000	694,894	6,948,943	Domestic Convertible Bonds	None	October 28, 2011 MOEA Ruling Ref. No. 10001248490
2012/01	10	950,000	9,500,000	693,827	6,938,272	Treasury Shares Cancellation and Domestic Convertible Bonds	None	January 17, 2012 MOEA Ruling Ref. No. 10101010150
2012/04	10	950,000	9,500,000	763,827	7,638,272	Cash	None	April 13, 2012 MOEA Ruling Ref. No. 10101065550
2012/05	10	950,000	9,500,000	783,107	7,831,076	Domestic Convertible Bonds	None	May 7, 2012 MOEA Ruling Ref. No. 10101081810
2012/09	10	950,000	9,500,000	810,053	8,100,532	Retained Earnings and Employee Bonuses	None	September 17, 2012 MOEA Ruling Ref. No. 10101193330
2013/05	10	950,000	9,500,000	822,698	8,226,978	Domestic Convertible Bonds	None	May 10, 2013 MOEA Ruling Ref. No. 10201086920
2013/09	10	950,000	9,500,000	844,272	8,442,721	Retained Earnings and Employee Bonus	None	September 9, 2013 MOEA Ruling Ref. No. 10201185560

Year Month	Par Value (NT\$))	Authorized Share Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Other
						and Domestic Convertible Bonds		
2013/11	10	950,000	9,500,000	847,628	8,476,278	Domestic Convertible Bonds	None	November 26, 2013 MOEA Ruling Ref. No. 10201238210
2014/02	10	950,000	9,500,000	858,987	8,589,869	Domestic Convertible Bonds	None	February 21, 2014 MOEA Ruling Ref. No. 10301031540
2014/05	10	950,000	9,500,000	860,727	8,607,271	Domestic Convertible Bonds	None	May 23, 2014 MOEA Ruling Ref. No. 10301093910
2014/08	10	950,000	9,500,000	877,942	8,779,416	Domestic Convertible Bonds	None	August 27, 2014 MOEA Ruling Ref. No. 10301178290
2015/03	10	950,000	9,500,000	876,882	8,768,816	Treasury Shares Cancellation	None	March 16, 2015 MOEA Ruling Ref. No. 10401046580
2015/08	10	950,000	9,500,000	894,419	8,944,193	Capital Surplus	None	August 31, 2015 MOEA Ruling Ref. No. 10401181240
2019/08	10	950,000	9,500,000	912,308	9,123,076	Retained Earnings	None	August 26, 2019 MOEA Ruling Ref. No. 10801115460
2020/07	10	950,000	9,500,000	900,095	9,000,946	Treasury Shares Cancellation	None	July 13, 2020 MOEA Ruling Ref. No. 10901132940
2021/03	10	950,000	9,500,000	880,095	8,800,946	Treasury Shares Cancellation	None	March 25, 2022 MOEA Ruling Ref. No. 11101044290

Note (1): The number of shares is not shown as the Company was originally a limited company.

2. Type of Stock

March 29, 2022; Unit: Shares

Shares Type	Authorized Share Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Share	880,094,649	69,905,351	950,000,000	

(II) Status of Shareholders

March 29, 2022

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions and Natural Persons	Total
Number of Shareholders	0	6	240	62,663	143	63,052
Shareholding (shares)	0	12,412,707	168,741,189	541,035,574	157,905,179	880,094,649
Percentage	0.00%	1.41%	19.18%	61.47%	17.94%	100.00%

(III) Shareholding Distribution Status

NT\$ 10 nominal value per share

March 29, 2022

Shareholding by class	Number of shareholders	Number of Shares Held	Shareholding ratio
1 to 999	35,266	2,741,405	0.31%
1,000 to 5,000	17,275	37,381,869	4.25%
5,001 to 10,000	4,279	31,124,869	3.54%
10,001 to 15,000	2,093	24,881,881	2.83%
15,001 to 20,000	969	17,373,377	1.97%
20,001 to 30,000	1,133	27,598,191	3.14%
30,001 to 40,000	528	18,189,529	2.07%
40,001 to 50,000	345	15,642,743	1.78%
50,001 to 100,000	603	41,657,091	4.73%
100,001 to 200,000	286	38,531,399	4.38%
200,001 to 400,000	124	35,029,213	3.98%
400,001 to 600,000	41	20,601,099	2.34%
600,001 to 800,000	32	22,126,514	2.51%
800,001 to 1,000,000	15	13,934,060	1.58%
1,000,001 or above	63	533,281,409	60.59%
Total	63,052	880,094,649	100.00%

(IV) List of Major Shareholders

List all shareholders with a stake of 5% or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage:

March 29, 2022

Shareholders' Name	Shares	Shareholding Shares	Shareholding Percentage
Lin Rong Shian		110,524,167	12.56%
CTBC Bank Co., Ltd In Custody For Verivia Pcc		84,031,547	9.55%
Ding Sheng Digital Life Co., Ltd. Representative: Tang Ching Huey		64,611,434	7.34%
Golden Century Co., Ltd. Representative: Lin Rong Shian		58,223,051	6.62%
Rih Jun Investment Co., Ltd. Representative: Lin Rong Huan		33,838,055	3.84%
You Wan Ying		22,104,781	2.51%
Norges Bank		13,189,284	1.50%
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds		10,880,760	1.24%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		8,145,715	0.93%
CTBC Bank Employee Stock Ownership Trust Account of Radium Life Tech. Co., Ltd.		8,016,493	0.91%

(V) Market Price, Net Worth, Earnings and Dividends per Share

Unit: thousand shares, NT\$

Item		2020	2021	2022 (As of March 31)	
Market Price per Share	Highest Market Price	14.50	13.60	11.30	
	Lowest Market Price	7.01	9.81	10.05	
	Average Market Price	10.37	10.96	10.92	
Net Worth per Share	Before Distribution	13.00	12.41	—	
	After Distribution	12.38	(Note 4)	—	
Earnings per Share	Weighted Average Shares	903,349	900,064	883,440	
	Earnings per share	Diluted Earnings Per Share (Note 2)	0.69	0.07	—
		Adjusted Diluted Earnings Per Share (Note 3)	0.69	(Note 4)	—
Dividends per Share	Cash Dividends		0.62	(Note 4)	—
	Stock Dividend	Dividends from Retained Earnings	0	(Note 4)	—
		Dividends from Capital Surplus	0	(Note 4)	—
	Accumulated Undistributed Dividends		—	—	—
Return on Investment	Price / Earnings Ratio	15.03	156.57	—	
	Price / Dividend Ratio	16.73	(Note 4)	—	
	Cash Dividend Yield Rate	5.98%	(Note 4)	—	

Note 1: The above net worth and earnings per share for the last two years are expressed in terms of equity and net income attributable to stockholders of the parent.

Note 2: The calculation is based on the weighted average shares for the year.

Note 3: The calculation is based on the weighted average shares outstanding for the current year, adjusted retroactively for the increase in the weighted number of shares outstanding due to the increase in undistributed earnings and capital surplus over the years.

Note 4: Not yet resolved by the shareholders' meeting.

(VI) Dividend Policy and Implementation Status

1. Dividend Policy under Articles of Incorporation:

In accordance with Article 20 of the Company's Articles of Incorporation, when there are earnings in the Company's annual final accounts, these earnings shall be distributed in the following order:

- I. Pay taxes.
- II. Make good the deficits of the Company.
- III. Set aside ten percent of said profits as legal reserve. If the legal reserve amounts to the total paid-in capital, this provision shall not apply.
- IV. In accordance with the law, the special reserve shall be listed or converted when necessary. When the Company sets aside special reserve according to law and if there is an insufficient amount in the allocation of "net amount of equity deduction accumulated in the previous period", before the surplus is distributed, a special reserve of the same amount shall be allocated from the undistributed surplus of the previous period. If there is still an insufficient amount, items other than the net profit after tax of the current period shall be included in the undistributed surplus of the current period.

- V. If there is any remaining balance after deducting 1-4 as mentioned, the balance may be accumulated with previous years' earnings. The board of directors will consider the Company's financial situation and prepare a motion for distribution of dividends to shareholders. The motion will be submitted to the shareholders meeting for a resolution.

Given that The Company is operating in a varying business environment and is at a mature and stable stage of its corporate life cycle, in a bid to meet future business expansion plans while balancing dividends and shareholders' interests, the Company's dividend policy states that dividends are to be distributed in cash and stocks. The actual distribution proportion is authorized to be determined by the board of directors according to the year's operations and the capital status and capital budget of the following year will also be taken into account. Among which, the cash shall not be less than 20% of the total dividends. However, if the cash dividends are less than NT\$0.1 (inclusive), all dividends are distributed in stocks.

When the Company has a profit in the year, theoretically 1/2 of the profit will be distributed in the form of dividends to shareholders. However, if the Company has a major capital expenditure plan at the same time, after weighing the amount of capital expenditure, the most appropriate dividend distribution standard will be resolved by the board of directors.

2. Proposed dividend distribution at the shareholders' meeting

The Company's earnings available for distribution in 2021 amounted to NT\$607,210,713. The Board of Directors' meeting held on March 29, 2022 proposed the distribution of shareholders' dividends of NT\$176,018,930 (NT\$0.2 per share in cash dividends), pending the resolution of the Company's annual shareholders' meeting held on May 27, 2022.

- 3 Expected major changes in the dividend policy: None.

(VII) Impact of Stock Dividend Distribution on Business Performance, EPS And Return on Investment : Not Applicable.

(VIII) Employees and Directors' Remuneration

1. Information Relating to Employees and Directors' Remuneration in the Articles of Association

In accordance with Article 19-1 of the Company's Articles of Association, if there is a profit within the Company in the year, no less than 0.5% of the profit shall be set aside as remuneration to employees, which shall be distributed in shares or cash by resolution of the board of directors. The Company may set aside no less than 1% of the above-mentioned profit as remuneration to the directors by resolution of the board of directors. The motion regarding remuneration to employees and directors shall be reported to the shareholders meeting. Where there is an accumulated loss, the profit shall be reserved to make up for the loss and the remuneration to employees and directors shall be provided in proportion in accordance with the aforementioned amount.

2. The estimation basis on remuneration to Employee and Directors, the calculating basis on the number of shares for share bonus and accounting treatment for the differences between the actual disputing amounts and estimations :

The Company estimates the remuneration of its employees and directors in accordance with its Articles of Association. Any difference between the estimated amount and the actual amount approved by the board of directors is recorded as profit or loss in the following year.

3. Distribution of remuneration approved by the Board of Directors

- (1) The amount of remuneration to employees and remuneration to directors and supervisors distributed in cash or shares. If the amount differs from the amount estimated in the year in which the expense is recognized, the amount of the difference, the reason for the difference and the circumstances under which the difference was handled should be disclosed.

Unit: NT\$ Thousand

Distribution items	Resolution by the Board of Directors Amount of allotment	Estimated amount for the year in which the expense is recognized	Difference	Reason for the difference and Details of the Process
Remuneration to employees	1,300	1,000	300	Note
Remuneration to directors	600	300	300	

Note: There is few difference between the amount of employee remuneration and directors' remuneration for 2021 as resolved by the Board of Directors on March 29, 2022 and the amount estimated by the Company for 2021. The difference will be adjusted to the profit or loss for 2022.

- (2) Ratio of Remuneration Employee Stock Bonus to Capitalization of Earnings :
None.

4. The actual distribution of remuneration to employees, directors and supervisors in 2019, and the differences in the recognition of remuneration to employees, directors and supervisors (The number of differences, the reasons for the differences and the treatment of the differences should be stated.)

Unit: NT\$ Thousand

Distribution items	Resolution by the Board of Directors Amount of allotment	Estimated amount for the year in which the expense is recognized	Difference	Reason for the difference and Details of the Process
Remuneration to employees	7,200	7,200	0	None
Remuneration for Directors and Supervisors	5,000	5,000	0	

(IX) Buy-back of Treasury Stock during the most recent year and up to the date of publication of the annual report:

March 31, 2022

Instance	5th Round
Date of the board of directors' resolution	2021.12.24
Purpose of the share repurchase	In order to protect the Company's credit and shareholders' rights
Scheduled period for the repurchase	2021.12.27~2022.2.23
Repurchase price range (NTD)	8~13
Number of shares to be repurchased (Shares)	20,000,000 Common shares
Actual period of the repurchase	2021.12.27~2022.2.22
Classification and executed volume (Shares)	20,000,000 Common shares
Executed amount (NTD)	217,625,710
Average purchase price per share (NTD)	10.88
Ratio of executed volume to the volume to be repurchased (%)	100%
Cancellation and transfer volume (Shares)	20,000,000
Cumulative holding (Shares)	0
Cumulative holding as a percentage of total issued shares (%)	0%

II. Corporate bonds:

(I) The Company's first and second secured ordinary corporate bonds in 2017 are as follows:

Corporate Bond Type		First time in 2017 secured ordinary corporate bonds	Second time in 2017 secured ordinary corporate bonds
Issue (Processing) Date		September 14, 2017	November 23, 2017
Denomination		NT\$1,000,000	NT\$1,000,000
Issuing and Trading Locations		Taiwan	Taiwan
Issue Price		Issued in full by face value	Issued in full by face value
Total Amount		NT\$1,000,000,000	NT\$500,000,000
Interest Rate		Annual interest rate: 1.02%	Annual interest rate: 1.02%
Period		5 years Expiration Date: September 14, 2022	5 years Expiration Date: November 23, 2022
Guarantee Agency		Taiwan Cooperative Bank	Taiwan Business Bank
Trustee		Jih Sun International Bank, Ltd.	Jih Sun International Bank, Ltd.
Underwriting Agency		Taiwan Cooperative Securities	Taiwan Cooperative Securities
Attorney		Far East Law Offices Attorney: Chiu Ya-Wen	Far East Law Offices Attorney: Chiu Ya-Wen
CPA		Deloitte Taiwan CPA: Yang, Ching Cheng	Deloitte Taiwan CPA: Yang, Ching Cheng
Repayment method		Repayment of principal in one lump sum At the end of five years from the issue date	Repayment of principal in one lump sum At the end of five years from the issue date
Outstanding principal repayment		NT\$1,000,000,000	NT\$500,000,000
Redemption or Early Settlement Terms		None	None
Restrictions		None	None
Name of credit rating agency, rating date, results of corporate bond rating		None	None
Attached Other Rights	Number of ordinary shares, overseas depositary receipts or other marketable securities converted (exchange or stock option) as of the publication date of the annual report	N/A	N/A
	Issuance and conversion (exchange or stock option)	Please see p.155 of this annual report.	Please see p.156 of this annual report.
The method of issuance and conversion, exchange or stock options, possible dilution of equity and impact on equity of existing shareholders.		There is no material adverse impact.	There is no material adverse impact.
Name of the custodian agency		N/A (non-exchangeable bonds)	N/A (non-exchangeable bonds)

(II) The Company's first secured ordinary corporate bonds in 2019 are as follows:

Corporate Bond Type	First time in 2019 secured ordinary corporate bonds	
Issue (Processing) Date	July 1, 2019	
Denomination	NT\$1,000,000	
Issuing and Trading Locations	Taiwan	
Issue Price	Issued in full by face value	
Total Amount	NT\$1,000,000,000	
Interest Rate	Annual interest rate: 0.8%	
Period	5 years Expiration Date: July 1, 2024	
Guarantee Agency	Taiwan Cooperative Bank	
Trustee	Yuanta Commercial Bank	
Underwriting Agency	Taiwan Cooperative Securities	
Attorney	Far East Law Officers Attorney: Chiu Ya-Wen	
CPA	Deloitte Taiwan CPA: Gung, Jerry	
Repayment method	Repayment of principal in one lump sum At the end of five years from the issue date	
Outstanding principal repayment	NT\$1,000,000,000	
Redemption or Early Settlement Terms	None	
Restrictions	None	
Name of credit rating agency, rating date, results of corporate bond rating	None	
Attached Other Rights	Number of ordinary shares, overseas depositary receipts or other marketable securities converted (exchange or stock option) as of the publication date of the annual report	N/A
	Issuance and conversion (exchange or stock option)	Please see p.157 of this annual report.
The method of issuance and conversion, exchange or stock options, possible dilution of equity and impact on equity of existing shareholders.	There is no material adverse impact.	
Name of the custodian agency	N/A (non-exchangeable bonds)	

(III) The status of the Company's first, second and third guaranteed general corporate bonds in 2020 were as follows:

Corporate Bond Type	First time in 2020 secured ordinary corporate bonds	Second time in 2020 secured ordinary corporate bonds	Third time in 2020 secured ordinary corporate bonds
Issue (Processing) Date	June 1, 2020	July 1, 2020	December 29, 2020
Denomination	NT\$1,000,000	NT\$1,000,000	NT\$1,000,000
Issuing and Trading Locations	Taiwan	Taiwan	Taiwan
Issue Price	Issued in full by face value	Issued in full by face value	Issued in full by face value
Total Amount	NT\$1,000,000,000	NT\$1,000,000,000	NT\$1,000,000,000
Interest Rate	Annual interest rate: 0.68%	Annual interest rate: 0.65%	Annual interest rate: 0.55%
Period	5 years Expiration Date: June 1, 2025	5 years Expiration Date: July 1, 2025	5 years Expiration Date: December 29, 2025
Guarantee Agency	First Commercial Bank	First Commercial Bank	Taiwan Business Bank
Trustee	Land Bank of Taiwan Co., Ltd.	Land Bank of Taiwan Co., Ltd.	Land Bank of Taiwan
Underwriting Agency	First Securities Inc.	First Securities Inc.	Taiwan Cooperative Securities
Attorney	Far East Law Offices Attorney: Chiu Ya-Wen	Far East Law Offices Attorney: Chiu Ya-Wen	Far East Law Officers Attorney: Chiu Ya-Wen
CPA	Deloitte Taiwan CPA: Gung, Jerry	Deloitte Taiwan CPA: Gung, Jerry	Deloitte Taiwan CPA: Gung, Jerry
Repayment method	Repayment of principal in one lump sum At the end of five years from the issue date	Repayment of principal in one lump sum At the end of five years from the issue date	Repayment of principal in one lump sum At the end of five years from the issue date
Outstanding principal repayment	NT\$1,000,000,000	NT\$1,000,000,000	NT\$1,000,000,000
Redemption or Early Settlement Terms	None	None	None
Restrictions	None	None	None
Name of credit rating agency, rating date, results of corporate bond rating	None	None	None
Attached Other Rights	Number of ordinary shares, overseas depositary receipts or other marketable securities converted (exchange or stock option) as of the publication date of the annual report	N/A	N/A
	Issuance and conversion (exchange or stock option)	Please see p.158 of this annual report.	Please see p.159 of this annual report.
The method of issuance and conversion, exchange or stock options, possible dilution of equity and impact on equity of existing shareholders.	There is no material adverse impact.	There is no material adverse impact.	There is no material adverse impact.
Name of the custodian agency	N/A (non-exchangeable bonds)	N/A (non-exchangeable bonds)	N/A (non-exchangeable bonds)

(IV) The Company's first secured ordinary corporate bonds in 2021 are as follows:

Corporate Bond Type	First time in 2021 secured ordinary corporate bonds	
Issue (Processing) Date	August 2, 2021	
Denomination	NT\$1,000,000	
Issuing and Trading Locations	Taiwan	
Issue Price	Issued in full by face value	
Total Amount	NT\$500,000,000	
Interest Rate	Annual interest rate: 0.61%	
Period	5 years Expiration Date: August 2, 2026	
Guarantee Agency	Taiwan Business Bank	
Trustee	Land Bank of Taiwan	
Underwriting Agency	Taiwan Cooperative Securities	
Attorney	Far East Law Officers Attorney: Chiu Ya-Wen	
CPA	Deloitte Taiwan CPA: Yang, Ching Cheng	
Repayment method	Repayment of principal in one lump sum At the end of five years from the issue date	
Outstanding principal repayment	NT\$500,000,000	
Redemption or Early Settlement Terms	None	
Restrictions	None	
Name of credit rating agency, rating date, results of corporate bond rating	None	
Attached Other Rights	Number of ordinary shares, overseas depositary receipts or other marketable securities converted (exchange or stock option) as of the publication date of the annual report	N/A
	Issuance and conversion (exchange or stock option)	Please see p.161 of this annual report.
The method of issuance and conversion, exchange or stock options, possible dilution of equity and impact on equity of existing shareholders.	There is no material adverse impact.	
Name of the custodian agency	N/A (non-exchangeable bonds)	

III. Preferred Shares: None.

IV. Global Depositary Receipts: None.

V. Employee Stock Options: None.

VI. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

VII. Financing Plans and Implementation:

For each uncompleted public issue or private placement of securities, and for such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits: None.

Operational Overview

I. Business Activities

(I) Scope of Business

1. The Company's Major Lines of Business

- Housing and Building Development and Rental.
- Specific Area Development.
- New Towns, New Community Development.
- Wholesale of Building Materials.
- Retail Sale of Building Materials.
- Computer Equipment Installation.
- Interior Decoration.
- Landscape and Interior Designing.
- Wholesale of Tobacco and Alcohol.
- Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
- Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures.
- Wholesale of Hardware.
- Wholesale of Daily Commodities.
- Wholesale of Precision Instruments.
- Wholesale of Computer Software.
- Wholesale of Electronic Materials.
- Retail Sale of Tobacco and Alcohol.
- Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
- Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures.
- Retail Sale of Hardware.
- Retail Sale of daily commodities.
- Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies.
- Department Stores.
- International Trade.
- Restaurants.
- Information Software Services.
- Data Processing Services.
- Electronic Information Supply Services.
- Other Industrial and Commercial Services.
- Recreational Activities Venue.
- Sports Training.
- Beauty and Hairdressing Services.
- All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business ratios

Unit: NT\$ Thousand

Consolidated revenue	Construction	Leases	Shopping Malls ^{Note 2}	Sewage Treatment	Others ^{Note 3}	Adjustment and Write-off	Total
Revenue from customers outside the Company	2,740,527	662,892	1,103,787	1,314,905	436,986	0	6,259,097
Revenue within the Company	1,127,086	584,464	1,135	0	19,370	(1,732,055)	0
Segment revenue	3,867,613	1,247,356	1,104,922	1,314,905	456,356	(1,732,055)	6,259,097
Percentage	61.79%	19.93%	17.65%	21.01%	7.29%	(27.67%)	100.00%

Note 1: The data above are from the segment information in Note 39 on page 92 of the Company's 2021 consolidated financial statements.

Note 2: It refers to the subsidiary Jing-Jan Retail Business Co., Ltd., which has been listed in Taipei Exchange. Please refer to the Company's annual report for relevant information.

Note 3: It refers to other income from operating hotels and selling cosmetics and skin care products by subsidiaries.

Not only is the Company dedicated to the construction of residential and commercial buildings for sale and lease, in recent years, we have also developed diversified businesses in hot spring hotels, department stores, bus station operations and cosmetics. We are now a keen investor in property development including elderly care and circular economy business. By sharing resources from a wide variety of parties, we hope to give our businesses a full play, further enhancing operational efficiency and strengthening the market competitiveness. The following is an operating overview of the business that has been divided into 2 categories: construction business and circular economy business.

3. Current Products and Services

(1) Construction (including leases and elderly care business)

A. Residential buildings - homes, stores, clubs, studios, parking lots, etc.

- In the public housing project “Radium Perfect Life” in Fuzhou, Banqiao, New Taipei City, Currently, the main products (174 units) are the storefronts and offices. There are also 446 units of affordable housing suited for renting, all of which have been rented out at present.
- As for the joint development project “S Super Station” at the Daqiaotou Station, Taipei City, the main products sold are 115 residential units.
- The project “Radium New Q Square” in Qingpu, near a Taiwan High Speed Rail station, features 151 residential units and 4 storefronts.
- In terms of “THE GENESIS” and the “Le Tau Chu Senior Happiness Home-Sanzhi”, the main products are 520 residential units of THE GENESI for sale, and 168 residential units of Le Tau Chu Senior Happiness Home-Sanzhi for rent.
- The youth housing project in New Taipei City " i Youth Housing” (Zhonghe and Sancong branches), features 1,543 residential units for rent, all of which have been rented out.

B. Commercial buildings - department stores, offices, clubs, hotels, parking lots, etc.

C. Multi-use buildings - complex buildings that combine more than one of the above-mentioned functions.

(2) Circular Economy (including water resources, solar energy, and waste treatment)

A. Sewage treatment plant (water recycling center)

B. Solar power plant

C. Waste-to-energy resource recycling center (Changhua Coastal Industrial Park)

D. Organic sludge resource treatment pilot plant (water recycling center)

E. Reclaimed Water Plant

4. Developing Products and Services

(1) Construction (including leases and elderly care business)

Building on the past development experience, the Company continues to develop construction projects at transportation hubs, and launch high-quality products with representative characteristics, such as selecting bases with commercial marketability and scale conditions to launch complex functional buildings, or launching urban or suburban senior citizens' housing projects in locations with accessibility to public transportation.

(2) Circular Economy (including water resources, solar energy, and waste treatment)

In response to the government's circular economy policy, the Company has adopted the expansion of the development of the environmental protection industry and enhancement of resource recycling operations as the goal, and is committed to solid waste treatment, organic biomass anaerobic treatment, sludge treatment, domestic wastewater and industrial wastewater treatment, as well as development of relevant businesses, such as the construction of a waste-to-energy resource recycling center and the construction of an organic sludge resource treatment pilot plant.

(II) Real Estate -Industry Overview

1. Construction (including leasing and elderly care business)

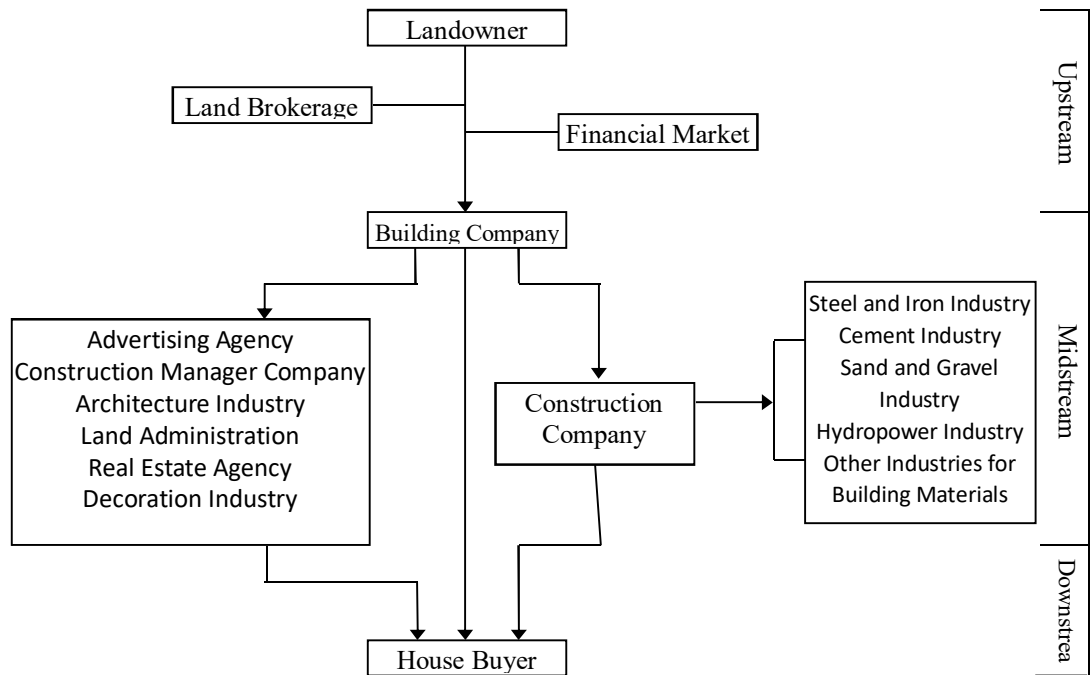
(1) Status and development of the industry

According to the Department of Statistics, Ministry of the Interior, 450,000 buildings were registered for transfer of ownership from January to November 2021, representing an increase of 6.3% compared to the same period in 2020. The main reason for this being the increase in the number of buildings registered for transfer in 6 special municipalities, with a 10% of increase in Kaohsiung, Tainan and New Taipei City. With the volume of transactions showing contrasted development, regions north of Taoyuan and Hsinchu are at a relatively low point; south-central regions are close to or above the high point compared to the previous wave; while the rise in Tainan and Kaohsiung has slowed down.

According to a Taiwan Cathay Real Estate Index report and analysis from realtors, the housing market in Taiwan has delivered good results. With the support of easy capital and a low interest environment, together with the global inflation effect after the pandemic, the housing market has shown a strong performance. However, there are still many disruptions such as: inflation, high construction costs, expected interest rate increases by the central bank, the government's policy to combat speculation (the Ministry of the Interior amended the law and launched 5 major speculation measures and some local governments have announced to implement the hoarding tax) and development of the outbreak. Recently, the central bank adjusted selective credit control measures for the fourth time and alongside the upgrade of the government's housing market adjustment and control, the housing market looks to stabilize.

The housing market has seen an increase in prices in properties sold. While the volume of real estate sold remained stable, the housing market has been affected due to factors such as builders willing to sell properties for cheaper prices, construction costs becoming more difficult to master, or a higher base period compared to the housing market. Overall, the housing market should stay considerably hot. Looking back to the entire year, the COVID-19 outbreak that erupted in Q2 2021 caused the housing market volume to fluctuate. However, the overall volume remained stable, showing a rise in prices and stabilizing volume.

(2) Industry relevance of upstream, midstream and downstream companies



There are many industries that are connected to the construction industry; therefore, the construction industry is also known as a leading indicator. In the entire industry system, construction companies are in the position of coordination and integration.

(3) Product development trends

Location is still a key factor in the value of real estate, and the primary consideration is transportation and living functions. Therefore, the areas adjacent to the city center and transportation hubs still dominate the development trend of real estate products for a long time. However, with the environmental changes (such as greenhouse climate, diseases, and hygiene) and the advent of an aging society, home buyers have also begun to attach importance to residential housing products featuring technology, environmental protection, epidemic prevention and health, and suitability for the retirement life. Therefore, how to solve environmental protection and social issues through architectural planning, and introducing Intelligent Buildings, Green Buildings, or Universal Design (to be usable by all people regardless of their age) will become the first choice for potential customers in the future.

A. Accessibility to transportation is the first choice (residential and office units)

Location is still the primary consideration for most homebuyers (such as transportation, school district, and living functions). In addition to the existing MRT network in the Greater Taipei Area, Taoyuan Airport MRT, and Taiwan High Speed Rail, the “third ring lines and three lines” of MRT were also gradually put into trial operation in 2020. The construction of Taichung MRT is completed and is undergoing trial operation. There are 18 stations in the whole system, starting from the main station in Beitun via Wenxin Road, one of the main roads, to the Wuri Station. This system can be connected to Taiwan High Speed Rail and Taiwan Railways, making it easy to transfer between different transportation systems. It is not difficult to predict that in the future, urban construction in Taichung will also

follow the MRT joint development model in Taipei. The Kaohsiung MRT has also been operating for several years. The underground lines of Taiwan Railways and the removal of elevated bridges have allowed the Kaohsiung City center to have increased area of the green landscape and more recreational space. However, because the acquisition of land in the city center is not easy, housing prices remain high. The convenient rail network connects the areas on the periphery, which gradually changes Kaohsiung people's commuting and home buying habits. Therefore, if transportation is in place, regional development will be driven, and housing prices will naturally rise. The idea of "getting home when you arrive at the station" brought about by an MRT station in the metropolitan center is still the primary consideration for homebuyers.

B. Healthy retirement life

According to statistics from the Department of Statistics, Ministry of the Interior, At the end of 2020, Taiwan's child dependency ratio (number of dependent children per 100 working age population) decreased to 17.6 due to the impact of falling birthrates. The old age dependency ratio (number of dependent elderly people per 100 working age population) increased to 22.5 due to population ageing. The total dependency ratio increased to 40.2. Taiwan's ageing index (ratio of the number of elderly people to the number of children) increased to over 100 after February 2017, from 68.64 at the end of 2000, and it continued to increase to 127.80 at the end of 2020 (meaning 127.80 elderly people per 100 children), an increase of 59.16 in a decade, resulting in a sharp increase in the old age dependency ratio and leading to a hidden concern about a heavy care burden. The social problems brought about by Taiwan's aging population (the percentage of seniors over the age of 65 is higher than 14%) has led to more attention and discussion. The concept of old-age care for the new generation of elderly people is also very different from the past. With an aging society, coupled with the impact of low birth rates, the demand for long-term care will inevitably increase. Therefore, in recent years, the development of long-term care and the silver hair industry has become a focus in the policy, and relevant needs and business opportunities have gradually emerged. Many banks have also launched exclusive mortgage products (reverse mortgage) for the elderly group, with the aim of driving the development of the recreation and care industry of the elderly people.

In addition, in recent years, the living environment of Taiwanese people has been severely affected by air pollution (PM 2.5), ultraviolet rays, and the COVID-19 pandemic. People have also begun to choose new building materials that are healthy or anti-epidemic when buying homes. Therefore, product demand and business opportunities for healthy retirement life will gradually become the mainstream, which is expected to drive a new wave of real estate development.

C. Green building and community development

In recent years, the government has vigorously promoted sustainable smart cities (including energy conservation and environmental protection), encouraged commercial buildings or residential buildings to plan to be certified with different levels of marks and labels, and to incorporate smart technology to daily life. Among them, "Intelligent Building" is the integration of information and communication technology into a building to improve the management efficiency of the building and the living quality of users. The "green building" must meet nine major indicators, namely biologicalty indicator, green area intensityr, base water conservation indicator, daily energy-saving indicator, CO2 reduction indicator, waste reduction indicator, water reductvion indicators, indoor environment indicator, water pollutants and solid waste improvement indicator.

Taiwanese people are paying more attention to the environment of workplace (commercial office buildings) and quality of life (residential buildings). With their understanding of and emphasis on smart buildings and green buildings, such functions have been regarded as the standard by property buyers (general public or business owners). Therefore, such products will gradually become popular in the future, which is also an important trend in the development of intelligent green buildings.

(4) Competition

Real estate has the characteristics of immovability, so market competition is limited to individual areas. Only by launching superior products at the right time in accordance with characteristics and market needs in each area can businesses stand out in the competition. The Company keeps abreast of the demand and social development trends in the real estate market. With the Company's strengths of its internal excellent team and the planning and design of the external professional team, it has successively launched market-competitive projects, such as the "S Super Station" at the Daqiaotou Station, "Radium PerfectLife" in Fuzhou, Banqiao, Radium New Q Square" in Qingpu, near a Taiwan High Speed Rail station, and the elderly health care project "THE GENESIS" in Sanzhi, and the urban renewal project of Qiao'an new village located nearby the Sun Yat-Sen Memorial Hall Station, with excellent sales performance. This has demonstrated that the Company's competitiveness is above the average level of the industry.

2. Circular Economy (including water resources, solar energy and waste treatment)

(1) Status and development of the industry

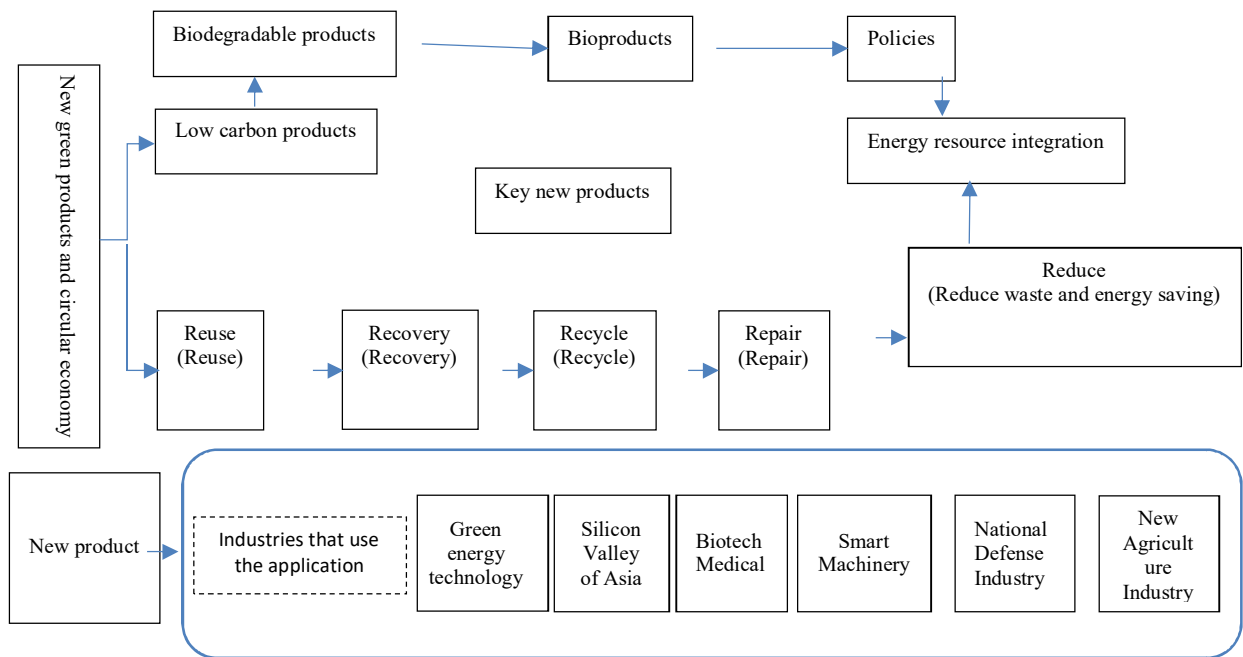
Traditional business development is a linear economic context of "mining, manufacturing, using, and discarding". In order to stimulate consumption, businesses continue to introduce new products. Consumers are accustomed to the economic development rule of "use and discard", which not only causes the depletion of the earth's resources, but generate waste. However, the earth's resources will not be endless, and waste will not vanish into thin air. Obviously, the traditional linear economy model has come to an end. Taiwan has gone through the era of rapid economic growth, but the price paid is excessive exploitation of natural resources and a great deal of environmental damage. In order to create a win-win situation for the economy and environmental protection, President Tsai Ing-wen has declared that "Taiwan will move towards an era of circular economy and convert waste into renewable resources." The government has even listed it as a part of the "five plus two industrial innovation" policy. Currently, what is emphasized is the circular economy concept of "sustainable recovery of resources and recycling" to replace natural resource extraction so as to achieve the vision of full recycling of materials and zero waste.

The Company established Rih Ding Water Enterprise Co., Ltd. in 2012, stepping into the Taoyuan Wastewater Sewerage System BOT Project, as the first step in the green energy and environmental protection business. Afterwards, Ding Sheng Green Energy Technology Co., Ltd. contracted with the second phase of the Taoyuan Wastewater Sewerage System BOT Project, the Company has planned to set up an organic sludge resource treatment pilot plant in Taoyuan North District Water Recycling Center in response to the problem of decontamination of sewage-derived waste, and continues to plan and develop waste-to-energy power generation business in the Taoyuan Technology Industrial Park. Rih Zuan Green Energy Technology Co., Ltd. has been established, to management solar power plant in Qishan, Kaohsiung. In 2020, Jing Ding Green Energy Technology Co., Ltd. was established, to invest in the new "Build-Operate-Transfer (BOT) Project of Resource Processing Center in Changhua Coastal Industrial Park by Industrial Development Bureau, Ministry of Economic

Affairs”, planning, building, and operation of the waste-to-energy resource recycling centers, All of this aims to develop in the industries related to circular economy in the hope of further expanding the circular economy business field and achieving a win-win situation for green energy and environmental protection as well as revenue creation.

(2) Industry relevance of upstream, midstream and downstream companies

In line with the government’s “5+2 Major Innovative Industries” policy that focuses on circular economy-related industries while working with other industries to provide support to one another in order to create new utilization of resources, allowing Taiwan’s economic development to grow and at the same time being eco-friendly.



Source: Ministry of Economic Affairs Presentation

(3) Product development trends

Taiwan’s waste recycling rate currently ranks third in the world. The government should continue to promote waste recycling policies to build Taiwan into a sustainable recycling home with zero waste and zero pollution. In the green and environmentally friendly economy, the biomass residues will be turned to feed, materials, fertilizer, and energy in order according to its value, as a source of energy resources for another material or product, or return to the production system for continuous circulation. This is an irreversible trend of the times.

Industrial waste can be roughly divided into five categories. The first category includes industrial waste generated in the manufacturing process of energy, agriculture, metallurgy, textile, food and beverages, etc.; the second category includes all kinds of recyclable plastic wastes of different material types and grades, such as PET bottles; the third category includes construction waste generated from construction, road demolition, and excavation; the fourth category includes urban waste generated from general commerce, service industry, and people’s livelihoods, such as paper, glass, organic matter, and metal; the fifth category includes household electrical appliances, small appliances, electronic and electrical tools, and other electronic product waste.

The aforementioned waste treatment and reuse are all within the scope of the Group's future development of new circular economy products.

(4) Competition

Circular economy has been a hot topic in recent years. At present, the world is still in its infancy in this regard, and its business opportunities are extremely tremendous. As an early promoter, a business can seize the opportunities in the circular economy market. In recent years, the Group has built and developed youth housing and public housing. Its participation in and implementation of public welfare and charity is also well-known. Now it is also expanding the development of the industries related to circular economy, with the aim of becoming one of the new engines driving Taiwan's future economy.

(III) Overview of technology and R&D

One of the Company's business philosophy is innovation and diversification. In addition to considering green building design during construction planning, smart building design has long been incorporated into its construction planning. In addition to regular research on well-developed technologies and applications in the market, it continues to invest resources in exploration of the lifestyle and needs of the elderly, and conceives how to integrate new technologies into buildings, so that consumers can enjoy a smarter and more convenient lifestyle, so as to enhance the connotation of housing projects.

The Company established Jing Ding Green Energy Technology Co., Ltd. in 2020 to invest in the " Build-Operate-Transfer (BOT) Project of Resource Processing Center in Changhua Coastal Industrial Park by Industrial Development Bureau, Ministry of Economic Affairs " to build a highly efficient waste heat treatment and energy conversion resource recycling center, which will not only solve the problem of waste water and sludge in industrial park and achieves reduction and regeneration purposes but also improves the efficiency of waste to energy to implement the concept of circular economy through the methods of efficient separation and waste fuelization. This will also help build a recycling demonstration site, change the image of the traditional waste treatment industry, and build "the first domestic waste-to-energy resource recycling center demonstration plant" as a new green landmark.

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

1. Construction (including leasing and elderly care business)

(1) Short-term development plan

A. Construction project development

Prudently select land development projects surrounding major transportation facilities or with development potential, and actively work on urban renewal projects or public construction-related development promotion projects. In addition, continue to strengthen the management of sales of pre-sale housing projects and the sales of remaining housing units to reduce the cost of remaining housing unit management, enhance the Company's working capital, and put assets to good use.

B. Product planning

Continuously improve product planning and design capabilities, take consumer needs as considerations, comply with the trends of green buildings, environmental protection, green energy, Medical care etc.; aim to meet customer needs and develop high-quality construction projects, and innovate products based on the experience in the development of complex functional property to avoid vicious price competition.

C. Customer services

Improve service quality to accentuate value of the construction projects by strengthening after-sales and post-rental customer services, such as convenient repair service procedures and good construction property management to increase customer satisfaction and recognition so as to enhance the brand image.

D. Human resource management

Strengthen employee education and training, improve employee quality and professional capabilities, pay attention to employee benefits, provide an excellent work environment, take care of their lives, establish a sound personnel system and allocate manpower properly, so that employees can maximize their functions at work.

E. Finances

Establish a complete financial operating procedure, improve the transparency of financial information, and increase the Company's funding sources and application flexibility through diversified funding channels.

F. Diversified operations

Actively participate in energy and environmental protection, water resources, and other businesses to develop the strengths in the circular economy industry in addition to operating subsidiaries with constant cash flows.

(2) Long-term development plan

A. Corporate brand

Implement the Company's core philosophy of "innovation, diversity, sustainability, symbiosis", continue to launch high-quality products in major metropolitan areas, and combine the service soft power of the Group's diversified resources to strengthen the brand image and reputation, to enable consumers to recognize the Company's brand value.

B. Construction project development

Actively develop new projects in all metropolitan areas in Taiwan, expand the Company's operating scale, and copy the successful experience of the composite development and operations of the Jiao-Jiu land BOT project and apply it to new projects. We will make a proactive effort to develop urban renewal or dangerous and old building projects in Taipei city center. Meanwhile, target overseas markets and develop new projects at an appropriate time.

C. Information management:

Continue to invest to update computer software, hardware and new technologies and the establishment of the Company's internal management information system to improve the management process, increase work efficiency, and convert the customer service operation process to the information system to strengthen the competitiveness of the Company.

D. Talent cultivation

Continue the human resource training program, train professionals, and recruit excellent management talents to maintain the Company's sustainable development and provide higher-quality services.

E. Diversified operations

Have adopted a diversified investment strategy to expand the scale of business and diversify the operating risks and to create more diversified operating income and profit sources.

2. Circular Economy (including water resources, solar energy and waste treatment)

(1) Short-term development plan

Develop the self-owned land in the Taoyuan Technology Industrial Park as a circular economy demonstration park and connect it to the local resources to promote the integration of green energy resources and diversified and sustainable use, such as promoting the connection of waste-to-energy businesses, setting up an energy resource recycling supply center, developing waste heat recycling technology, constructing a biomass energy center for industrial waste, and integrating the recycling and reuse of effluents in the park.

Develop project planning and design, construction, management, operation, and

R&D teams related to circular economy technologies, actively participate in government development projects or cross-industry collaboration to expand the business in the circular economy sector, accelerate the development of the Group, and fulfill its corporate social responsibility.

(2) Long-term development plan

At present, the Taoyuan Wastewater Sewerage System BOT Project is expected to process 200,000 tons of sewage per day after the completion of the entire project, which will create stable revenue for the Group in the long term.

In the Taoyuan Technology Industrial Park, we plan to adopt the latest waste-to-energy technology to convert general industrial waste and organic sludge into electrical energy, and sign an electricity purchase and sale contract with Taipower to sell the power in the category of waste-type renewable energy at a bulk sale price in accordance with the relevant regulations of the Renewable Energy Development Act.

We will strive to integrate industry-academia resources to strengthen industry-government-academia-research collaboration, engage in transformation towards environmental protection, safety, and high-value-added development, and promote technology integration and training of professionals. Furthermore, we will promote ecological design of products, introduce the life cycle concept to the planning and design stage, and adopt ecological design to allow products to be reused, dismantled, classified, and regenerated in the waste stage, to increase resource recycling and reuse, and assist enterprises in developing the business and operating model based on the circular economy concept.

II. Market and Sales Overview

(I) Market analysis

1. Construction (including leasing and elderly care business)

(1) Sales and supply areas of the Company's main products and services

The Company's main business is to entrust construction companies to build residential buildings and commercial and office buildings for sale and lease with a focus on the domestic market, particularly on Taipei and New Taipei Cities, including the “S Super Station” at the Daqiaotou Station, “Radium Perfect Life” in Fuzhou, Banqiao, and Le Tau Chu Senior Happiness Home-Zhonghe. The Company will launch the urban renewal project of Qiao’an new village in Da’an District, Taipei City in 2022 and continue to promote THE GENESIS and the Le Tau Chu Senior Happiness Home-Sanzhi in New Taipei City. In the future, the Company will launch development projects, including a Kaohsiung City urban renewal project, a Taichung MRT joint development project, and a Taipei City urban renewal project.

(2) Market share

Because the real estate industry is based on individual area, the competition in the industry is not the same as that of general industries. It is usually a competition between individual projects in an area. The Company has officially launched the GENESIS project in Sanzhi, New Taipei City at the beginning of 2021, We promote the new “ageing happily and healthily” concept that has been well-received in the market. In 2022, the subsidiary will launch the urban renewal project of Qiao’an new village located nearly the Sun Yat-Sen Memorial Hall Station in Da’an District, Taipei City. This has demonstrated the Company's vision of and confidence in the development trend of real estate.

(3) The future supply and demand situation and growth of the market

A. Supply

The total volume of projects launched in 2021 was NT\$1,192.9 billion in Northern Taiwan, a decrease of approximately NT\$103.2 billion or 8% from 2020. Despite this reduction, the number of projects launched in 2021 was the third largest in history. The reason for the reduction was that construction companies were reluctant to launch projects due to the government's tackling of speculation, labor shortages in the construction market and the cost spike. Although many large target projects were pushed back, the number of building permits granted in 2021 was at its peak. Moreover, projects pending to be launched in 2022 are estimated to grow by 10% and there is a chance for the annual project volume to exceed NT\$1.3 trillion. With 2022 being an election year, politics and policies are bound to intensify. However, so long as the bull flag pattern remains unchanged, the number of projects to be launched should not be affected by election factors.

B. Demand and growth

In the past few years, under the influence of the government's policy of continuously suppressing the real estate market, the business of the overall market was mostly sluggish, and did not improve significantly. However, the total number of property and land transfers in Taiwan reached 450,000 in 2021. In addition, the survey on buyers' willingness by real estate agents found that buyers' outlook on the market turned from pessimistic to neutral. With the decline in the housing market since 2014, many buyers have adopted a wait-and-see approach for a long time with an urgent need to get into the market. After confirming that the housing market has stabilized, many homebuyers entered the market as their confidence has recovered.

Due to the sudden outbreak of the COVID-19 pandemic in early 2020, thanks to Taiwan's successful handling of the pandemic, Taiwanese businessmen have been returning to Taiwan for investment, posing limited impact on the overall environment and the property market. Given that the government announced its fourth housing loan restriction policy in December 2021, we shall adopt countermeasures in a timely and stringent manner.

Although the market has ups and downs, as long as the external unfavorable factors are diminished and the economy continues to grow, there will still be basic rigid demand for real estate, either for self-occupation or commercial use. Particularly, in the developed urban areas, the supply is limited, and there is a demand for replacement of old property. Therefore, as long as the Company optimizes its product planning and establishes a clear brand positioning, it will still be able to effectively keep abreast of the market demand and achieve ideal sales performance.

(4) Competitive niche

A. Professional development evaluation

The Company has long attached great importance to the conditions of the land for construction, particularly the location with accessibility to transportation. For example, the MRT joint development project launched by the Company in the past or the T9 BOT project with the neighboring five transportation tools both feature the advantage of great accessibility to transportation. With the product planning and design content and the quality of the projects, both have achieved excellent sales results and contributed to the performance. In the future, the Company will fully evaluate the investment benefits, develop land with high-quality conditions and development potential, carefully design and plan projects, and continue to launch new projects.

B. Flexible design and planning

The Company has the experience of participating in different types of development projects, including MRT joint development projects, BOT projects, and superficies rights projects. Such construction projects involve many legal requirements and the development process is more complicated than the traditional model, and the Company always adheres to the concept of innovative thinking and continuously seeks solutions along the journey. As such, the Company can always transcend the constraints of the existing established model flexibly and make breakthroughs in project planning, which is evidenced by the Company's complex functional buildings planned in the past or complex all-age healthy resident project currently under planning.

C. Innovative diversified development

In order to avoid the impact of the cyclical fluctuations of the real estate business on the Company's operations, the Company, in addition to the main business in construction, continues to invest in businesses with fixed operating income, such as the subsidiary Wan Da Tong Enterprise Co., Ltd. , which is responsible for the operation of the T9 BOT project and has stable rental income; subsidiary Jing-Jan Retail Business Co., Ltd. and subsidiary Radium-Kagaya International Hotel Co., Ltd. , responsible for the operation of shopping malls and a hot spring hotel in Beitou, respectively; and subsidiary Rih Ding Water Enterprise Co., Ltd. , responsible for the operation of the Taoyuan Wastewater Sewerage System BOT Project. At present, the Company's diversified development strategy has created positive results. The business categories are diversified. Each operating entity assists each other based on its characteristics and professional field to achieve the synergy effect while can also contribute to revenue stably individually. In the future, the Company will continue to maintain a diversified development strategy and extend its focus to green energy and environmental protection businesses, such as circular economy, waste treatment, and renewable energy power generation.

(5) Favorable and unfavorable factors of development prospects

A. Favorable factors

- a. The overall economy maintains a growth trend, which is conducive to people buying property

In the midst of the recent domestic and international economic situation, with the variant Omicron spreading rapidly across the world, it has posed a new wave of imminent challenges. As a result, the global economic performance continues to be affected due to labor shortages, an unstable supply chain and rising inflationary pressures. Nevertheless, with improvements in testing and increasing vaccination rate coverage, the number of COVID-19 deaths has dropped significantly. Given the situation, major countries will not reinforce their strict pandemic prevention measures and the global economy is expected to bounce back. With the base period factors and decline in support for financial monetary and fiscal policies worldwide, major international forecasters believe that global economic and trade growth in 2022 will slow down compared to 2021.

As for Taiwan, the recent surge in cases may impact the performance of the domestic demand for Q1 2022. However, as Taiwan's pandemic situation has been effectively controlled, it has benefitted from the low based period of 2021. Coupled with the fact that the cost of living, basic wages, and wages of civil servants are going up, and companies with excellent results are more willing to increase bonuses, these factors will see contribution to disposable and discretionary income while driving the steady growth of spending. As a result, Taiwan's economic growth for 2022 will mainly be supported by private

consumption. Although exports and private investment are to remain strong, their contribution to economic growth is expected to decline as they were affected by high base period.

- b. The government promotes major public construction projects to drive the housing market's performance

On July 7, 2017, the President promulgated the implementation of the Special Act for Forward-Looking Infrastructure to promote a forward-looking infrastructure program. A total of NT\$420 billion is budgeted for a four-year period, and a special budget is later developed for three stages in the period (the first stage was from September 2017 to December 2018 with a total budget of NT\$107.1 billion; the second stage was from 2019 to 2020, with a total budget of NT\$222.9 billion; the third stage will be from 2021 to 2022, with a total budget of NT\$229.8 billion). The program focuses on the eight major construction priorities, namely, green energy construction, digital construction, water environment construction, rail construction, urban and rural construction, construction of childcare friendly spaces in response to declining birthrates, food safety construction, and talent cultivation to promote employment. According to estimates by the Executive Yuan, for every NT\$1 spent on the forward-looking program, the private investment will increase by about NT\$0.78, and the real GDP will grow by NT\$1.62. The real GDP can increase by 0.71% per year on average compared to the level, at which the program is not implemented, and approximately 108,000 people will be provided with job opportunities every year. Moreover, based on the past experience, investment in major public construction projects can often create positive effect on the surrounding real estate and promote the development of the housing market, particularly in the rail construction category.

- c. Changes in the lifestyle of Taiwanese people, which will help facilitate the real estate demand.

With the change of social patterns, small families and declining birthrates have become a trend. Also, newlyweds nowadays enjoy more freedom and are not constrained by the traditional thinking of living with the older generations. Therefore, in recent years, the small two-bedroom and studio products in the metropolitan area have become the mainstream of the market, and its proportion of the overall transactions has also maintained a growth trend with the growing number of households as an important product in the real estate market.

Furthermore, in recent years, Taiwanese people's concept of old-age care has been gradually adjusted. Taking into account the needs for a suitable retirement environment, health promotion, and their children's inability to properly take care of them, more and more senior people have accepted the concept of elderly health care housing year by year. This trend will be clearly reflected in the market demand in the future.

B. Unfavorable factors and countermeasures

- a. It is not easy to obtain land in prime location

Land is the most basic raw material for construction. After years of development, land with development value has gradually decreased, and prices have continued to rise. In addition, large areas of public land will no longer be released according to government policies, which has caused the cost of land acquisition to rise, affecting the profit of development of construction projects.

- b. Negative factors suppress the business in the housing market, and market buying momentum remains to be observed

In recent years, due to excessive supply, the real estate market has faced the pressure of inventory closeout and business cycle. The Individual House and

Land Transactions Income Tax, Property Tax, poor performance of the overall domestic economy and no increase in real income, expected increase in interest rates, and political uncertainty have resulted in insufficient investment confidence in the housing market with a strong wait-and-see atmosphere in the market.

C. The Company's countermeasures

- a. Carefully choose the location for projects and copy the development experience to expand business opportunities

In the face of continuously increasing land costs, the Company will continue to evaluate various types of sources of development projects, take urban areas with advantages in transportation and living functions as the top choice for development, and strengthen planning and design to create products with high added value and uniqueness to create revenue and reduce the impact of land costs. In addition, the Company will also strive to copy the past experience in complex building development. Either a new metropolitan area or an overseas transportation hub city will be the Company's targets. The Company aims to copy the successful experience to solve the problem of insufficient land sources and increase the opportunities to acquire land so as to create operating income.

- b. Diversified operations

In order to avoid the fluctuations of business cycle in the housing market, the Company, in addition to the main business in construction, has continued to devote itself to the operation of businesses with fixed-income, such as asset management, shopping malls, hotels, sewage treatment, as well as cosmetics and skin care products in recent years. Since most of them are businesses that directly face end consumers and feature constant income, which will create stable cash flows and fixed income for the Group, and help diversify the risks of changes in the real estate business.

2. Circular Economy (including water resources, solar energy and waste treatment)

(1) Sales and supply areas of the Company's main products and services

The Taoyuan City Government commissioned the sub-subsidiary Ri-Ding Water Company to construct sewage pipelines and water resources recycling projects to build the Taoyuan Wastewater Sewerage System BOT Project into the largest sewer system BOT project in Taiwan. The first phase of the sewage treatment plant, which was completed and put into operation in 2016, has an average daily processing capacity of 50,000 tons, of which 6,000 tons of sewage are decomposed and filtered using the MBR system. The expansion of the second phase of the sewage treatment plant was completed in December 2020, now treating 100,000 tons of sewage per day. Furthermore, the amount of water produced by decomposition and filtrating using a membrane bioreactor (MBR) exceeds 300,000 per day. The Taoyuan City Government initiated Reclaimed Water BTO Project of North District Water Resources Recycling Center in Taoyuan in an attempt to provide stable water supply for domestic and industrial water demand. In December 2021, the Company formed a business Alliance with Rih Ding Circular Economy Investment Holding and CTCI Group and applied to bid for the project. On February 21, 2022, the alliance was selected as the top applicant.

Furthermore, in response to the Taoyuan City Government's industrial innovation policy and the Central Government's renewable energy policy, the Company is also developing diversified plans in the Taoyuan Technology Industrial Park (No. 21, Kwun Tong Section) with the site as the cradle of innovative technologies for circular economy so as to further become a national demonstration zone to export technology.

The Industrial Development Bureau, Ministry of Economic Affairs, has entrusted Jing Ding Green Energy Technology Co., Ltd. to implement the

“Build-Operate-Transfer (BOT) Project of Resource Processing Center in Changhua Coastal Industrial Park by Industrial Development Bureau, Ministry of Economic Affairs”. In the project, the company will build and operate a waste-to-energy resource recycling center, adopt smart technology in operations, and maintenance and repair, and adopt ORS and IOI systems to assist with the operations and management, while using EPMS and MMIS systems to implement preventive maintenance management, applying digital communication tools and electronic equipment to record, analyze, and manage operation data effectively and in real time, as well as conducting internal and external monitoring and audits to maintain stable operations for more than 20 years so as to ensure operational safety.

(2) Market share

The area of operations of Taoyuan Wastewater Sewerage System BOT Project spans over 7,610 hectares, covering the administrative areas of Taoyuan District, Bade District, Guishan District and Luzhu District. The sewage collection area covers 6 urban planning areas including Taoyuan Expansion and Revision Project, Provincial Highway 1 (between Taoyuan and Neili), Nankan New Town, Guishan, Bade (Danan area), Bade (including Bade expansion). According to the Taoyuan City Government’s pipeline network connection period, the total number of households under management was 251,447. As of March 2022, the cumulative number of households that had completed the connection was 112,853, or around 45%.

In the future, the Company will step into the markets of waste-to-energy, food waste bioenergy reuse, reclaimed water utilization, and industrial waste sorting and reuse, and expand the business in a horizontal manner.

(3) The future supply and demand situation and growth of the market

Taiwan is small and densely populated. At present, unprocessed waste is only allowed to be buried in remote areas, and in case of emergency or disasters, except for the waste burial for the purpose of restoration of urban landscape, almost 90% of the waste is treated by incineration. The hazardous materials after incineration still need to be buried. There are currently more than 4 million cubic meters of public landfills in operation. The public landfills in Taipei City, New Taipei City, Yilan, Hualien, and Lianjiang County are under the safe value. The remaining burial capacity will have a useful life of less than five years, and the landfill capacity tends to be insufficient.

The government’s renewable energy development policy aims to reach a target that 20% of the total power generated is renewable energy by 2025. After the waste is generated, it will be removed. According to the statistics of the Environmental Protection Agency, Executive Yuan, the number of licensed public and private waste removal agencies has grown from 2,799 in 2008 to 4,294 in 2020, a growth rate of 53% over the 12 years. The number of licensed private waste treatment institutions has grown from 96 in 2008 to 188 in 2020, and the growth has doubled, which has shown that waste-to-energy business has great room for development and growth.

Moreover, there are still eight counties in the country that do not have independent waste disposal facilities and the capacity of the waste disposal facilities is seriously insufficient, which has caused the problem of garbage dumping in the country in the past two years. In addition, of the 24 incineration plants in Taiwan, 19 incineration plants at the end of 2016 were in service for over 15 years. Accounting for 79% of the 24 incineration plants, these 19 plants’ processing capacity accounted for 87% of the total. Due to the obsolete equipment and the increased frequency of shutdowns as a result, the overall operation rate has been declining year by year and the processing capacity has decreased as a result. The risk of waste being not properly processed increases immediately; environmental sanitation problems may occur easily. As for the incineration plants in neighborhood in the era of increased environmental

awareness, reconstruction of the original plant site or construction of a new site is not an easy task due to the public pressure. Coupled with the practical demand for increased incineration capacity and the huge cost of rebuilding incineration plant facilities, there is no way but to optimize and upgrade the original incineration plants and facilities at the original sites, which is an important mechanism where the public participates in the circular economy.

(4) Competitive niche

The Taoyuan Wastewater Sewerage System BOT Project is the largest sewerage system BOT project in Taiwan. Following the completion of the first phase of the sewage treatment plant in 2016, the second phase of the plant expansion project was completed at the end of 2020, with an average daily processing capacity of 100,000 tons. The performance and technological capabilities of sewage treatment are already among the top in Taiwan's industry. In the future, such technological capabilities will surely become a major driving force and niche for the Group's future horizontal and vertical growth.

The ideas developed in the past and the technologies developed by the Group in collaboration with various professional consultants in recent years have gradually led to positive results. At present, many partners in relevant industries have begun to discuss partnerships with the Group in this field, which is believed to not only create more revenue and contributions but also contribute to the society in the future.

(5) Favorable and unfavorable factors of development prospects

Based on global development and government policies, it is confirmed that circular economy is an inevitable new trend, and there is still great potential and space for its prospect and creative development, from which the Group also has great room for innovation and sustainable development. However, because it is relatively unprecedented, laws and regulations sometimes become obstacles to innovation, and it takes time to continue to communicate and overcome them.

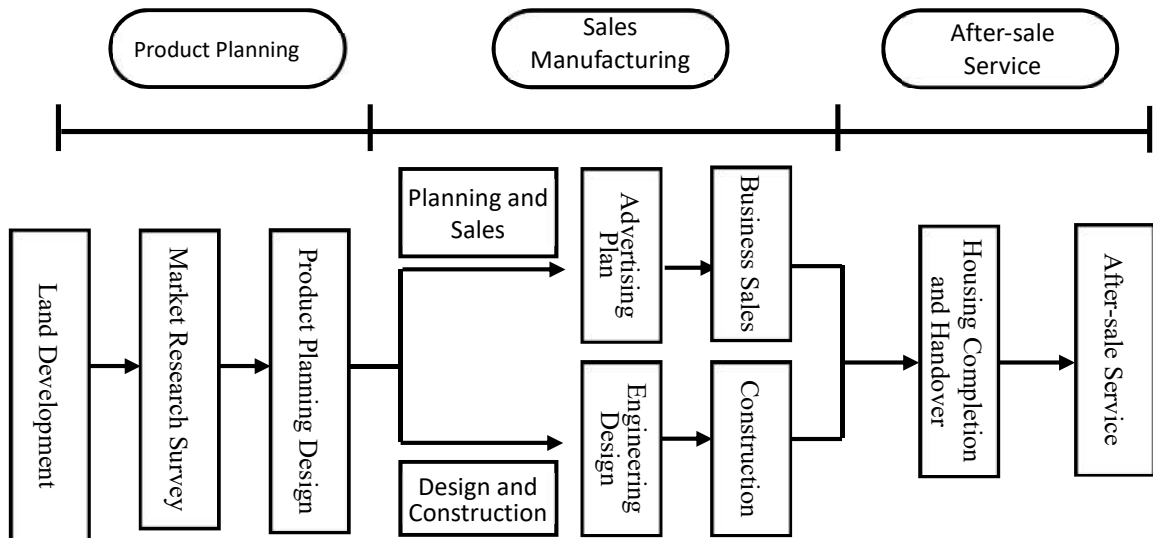
(II) Important Applications and Production Process of Primary Products

1. Construction (including leasing and elderly care business)

(1) Important Applications of Primary Products

Primary Products	Important Applications
Residential buildings	High-end residences, retail stores, parking lots, etc.
Commercial buildings	Department stores, offices, clubs, hotels, parking lots, etc.
Complex Buildings	Complex buildings that combine various functions including residences, offices, department stores and hotels.

(2) Production Process

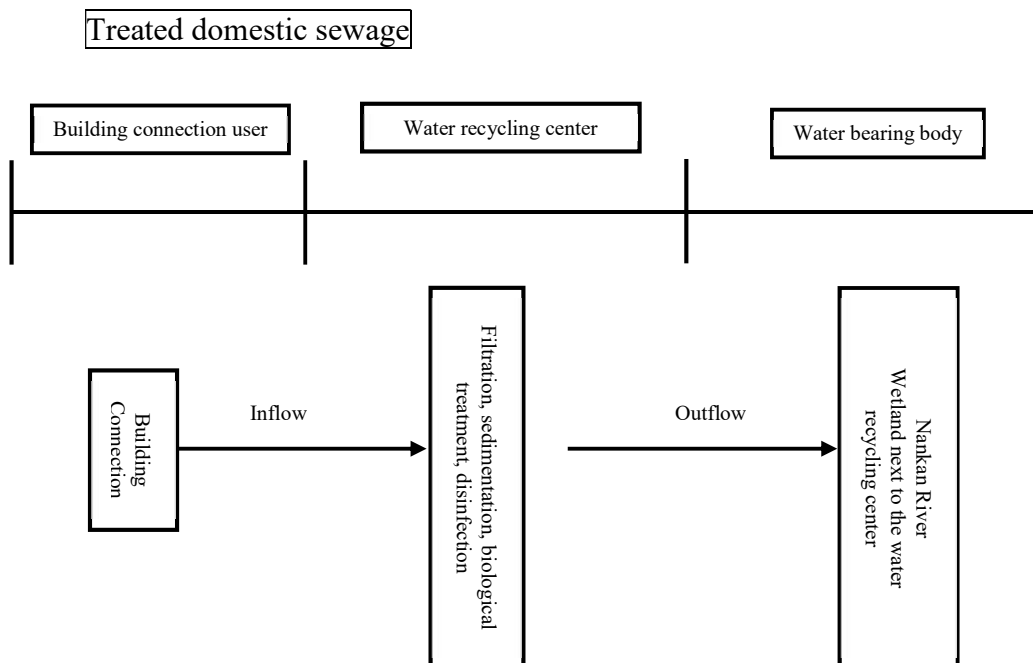


2. Circular Economy (including water resources, solar energy and waste treatment)

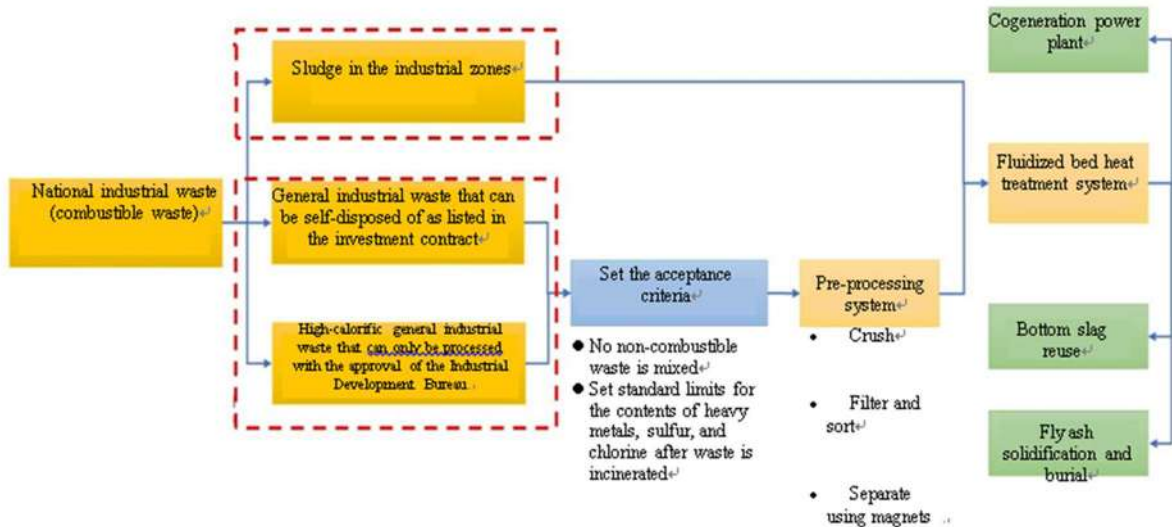
(1) Important Applications of Primary Products

Primary Products	Important Applications
Treated domestic sewage	1.Ensure the cleanliness of effluent to maintain the ecosystem while at the same time improving the living environment and enhancing the health of residents. 2.As a second renewable water source, it provides water for industrial processes or domestic water.
Waste heat treatment and energy conversion resource recycling center	1. Solve the dilemma that sludge and business waste cannot be removed, reduce the treatment cost and increase the proportion of reusable resources. 2.Recover the heat energy of the heat treatment program to generate electricity with high efficiency.

(2) Production Process



Waste heat treatment and energy conversion resource recycling center



(III) Supply of Primary Materials

1. Construction (including leasing and elderly care business)

(1) Construction Site

The Company has a project development division, and other than land released by the public sector, we also proactively seek out projects with reasonable prices and good locations that are worth developing. The Company makes an effort on assessment of land, whether through public tender, real estate agents, urban renewal or even joint development with landowners so as to grasp the market trends while increasing the expansion and feasibility for development.

(2) Construction Projects

Since the investment was made in Titan Development & Construction Co., Ltd., in 1997, we have achieved the goal of vertical integration of production process. Most of our construction projects are entrusted to Titan Development & Construction in order to fully grasp the project progress while controlling the project quality. However, given the fact that we attach great importance to optimal allocation of resources, some of our projects may be entrusted to those construction companies with outstanding quality and reputation.

2. Circular Economy (including water resources, solar energy and waste treatment)

The area of operations of Taoyuan Wastewater Sewerage System BOT Project spans over 7,610 hectares, covering the administrative areas of Taoyuan District, Bade District, Guishan District and Luzhu District. The sewage collection area covers 6 urban planning areas including Taoyuan Expansion and Revision Project, Provincial Highway 1 (between Taoyuan and Neili), Nankan New Town, Guishan, bade (Danan area), Bade (including Bade expansion).

In response to the development of the Group's waste-to-green-power circular business, it is necessary to grasp the sources of combustible waste resources and materials. In order to meet the Group's future needs for at least two factories in Taoyuan and the Changhua Coastal Industrial Park, it is necessary to keep abreast of the domestic production processes, quantity, and distribution for suitable resource waste and combustible general industrial waste and plan ahead, and formulate methods of matching, cleaning, processing, testing, and permit application in advance. In addition, after converting waste into green power, the renewable energy power plant will create potential resource waste, including bottom slag and fly ash, so the Company will plan and develop suitable regeneration technology,

and collaborate with domestic high-tech manufacturers of waste acid (such as hydrofluoric acid) and resource waste to turn the waste into renewable resources. In 2020, 24 large incineration plants processed a total of 1.64 million tons of industrial waste (more than 1.43 million tons of industrial waste registers in 2019), which has impacted the amount of civil waste to be treated. The competent authority is considering prohibiting industrial waste from entering large incineration plants, starting from large to small quantities in the order of northern, southern, and then central Taiwan. Therefore, the Group has seized the opportunity to develop the waste-to-energy business.

(IV) The names of customers who have accounted for more than 10% of the total purchase (sales) in any of the last two years and the amount and proportion of their purchase (sales), together with the reasons for the increase or decrease

1. Information on major suppliers

Unit: NT\$ thousand; %

Year	2020				2021			
Item	Name	Amount	As a percentage of total net purchases for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of total net purchases for the year (%)	Relationship with the Issuer
1	Jhong Yi Engineering Co., Ltd.	398,532	20.76	–	Jhong Yi Engineering Co., Ltd.	212,005	15.98	–
2	New Micropore Inc.	244,350	12.73	–				
Others		1,277,121	66.51	–	Others	1,114,987	84.02	–
Net purchases		1,920,003	100.00	–	Net purchases	1,326,992	100.00	–

The largest supplier to the Company and its subsidiaries in the last two years was Jhong Yi Engineering Co. Jhong Yi Engineering Co., Ltd. is the vendor responsible for the development and construction of the branch sewerage network and line connections for customers of the Taoyuan Wastewater Sewerage System BOT Project. The New Micropore Inc., as the second largest supplier, was the contractor for the second phase of the Taoyuan Wastewater Sewerage System BOT Project in 2020. The rest of the suppliers did not account for more than 10% of the net purchase amount as the amount was dispersed.

2. Information on major customers

Unit: NT\$ thousand; %

Year	2020				2021			
Item	Name	Amount	As a percentage of total net sales for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of total net sales for the year (%)	Relationship with the Issuer
1	Department of Water Resources, Taoyuan City Government (Note)	2,209,291	32.62	–	Department of Water Resources, Taoyuan City Government (Note)	1,314,905	21.01	–
Others		4,563,041	67.38	–	Others	4,944,192	78.99	–
Net sales		6,772,332	100.00	–	Net sales	6,259,097	100.00	–

Note: In relation to the operating revenue of the subsidiary Rih Ding Water, it is specified in the International Financial Reporting Interpretations (IFRIC 12) Service Concession Agreement that the operator has the contractual right to receive unconditionally from the government (the licensor) a specified or determinable amount of cash or other financial assets for a specified period of time. Therefore, financial assets (operating revenue) are recognized on the basis of current investment status.

In 2020 & 2021, the customer that accounted for more than 10% of net sales in the consolidated financial statements was the Department of Water Resources of Taoyuan City Government. The Taoyuan Municipal Government is the organizer of the BOT project for the construction of the Taoyuan Sewerage System, which was developed by our subsidiary, Rih Ding Water under International Financial Reporting Standards (IFRSs), the subsidiary Rih Ding Water recognizes operating revenue from the amortization of construction fee and sewage treatment income received from the Department of Water Resources of Taoyuan City Government upon completion of the construction of sewage treatment facilities. As most of the other sales were made by general home buyers, there was no single sales counterparty accounting for more than 10% of the net sales.

(V) Production volume for the last two years

Unit: NT\$ thousand

Major Items	Year	2020			2021		
		Production capacity (Note 1)	Production volume (Note 2)	Production value	Production capacity (Note 1)	Production volume (Note 2)	Production value
Subsidiary– Rih Ding Water Enterprise Co., Ltd. Taoyuan Sewerage BOT Project		–	–	1,198,919	–	–	474,166
Subsidiary Ji Shun Life Ech Corp., Ltd. - Qingpu Project		–	–	221,532	–	–	288,211
Subsidiary Titan Development and Construction Co., Ltd. - Longtan Dapchi Project		–	–	145,574	–	–	128,080
Radium Life Tech Co., Ltd. - Sanzhi Project- East Side		–	–	11,608	–	–	123,794
Cost of sales from department store		–	–	130,630	–	–	105,688
Cost of hospitality services		–	–	124,541	–	–	113,639
Rental costs		–	–	642,250	–	–	636,008
Others		–	–	23,886	–	–	18,462
Total		–	–	2,498,940	–	–	1,888,048

Note 1: The concept of production capacity does not apply to the types of businesses operated by the Company and those specified in the consolidated financial statements.

Note 2: Referring to the number of households completed and carried over from each project in the year. The remaining projects are presented as “–” either because they have not yet been completed or because the concept of production volume is not applicable to the business type.

The Company and its subsidiaries are engaged in the following businesses: construction, building, department stores, hotels, leasing, asset management, sewage treatment and cosmetics/care products manufacturing. The contribution to output in the last two years was mainly from investment in construction projects. For year 2020 and 2021, they were primarily from the subsidiary’s investment of the Taoyuan Wastewater Sewerage System BOT Project Other construction projects within the Group include the Qingpu project, Longtan project, and the Sanzhi project - east side etc., and the change in production value from year to year is reflected in the progress of the projects.

In addition, the latest two years' output also includes the amount of purchases made by subsidiaries engaged in department stores and hotel operations, leasing costs for asset management, and manufacturing costs for cosmetics/care products.

(VI) Sales volume for the last two years

Unit: NT\$ thousand

Major Items	Year	2020				2021			
		Internal Sales		External Sales		Internal Sales		External Sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Radium Life Tech Co. - Fuzhou Affordable Residence Project, Banqiao		6	190,356	-	-	4	108,671	-	-
Radium Life Tech Co.-Xinzhuang MRT Line Daqiaotou Station		66	1,655,330	-	-	22	1,142,824	-	-
Radium Life Tech Co.-Xindian Project Mehas		2	67,270	-	-	-	10,305	-	-
Radium Life Tech Co. - Ba Du project		3	28,085	-	-	2	20,208	-	-
Subsidiary Rih Ding Water Enterprise Co., Ltd. - Taoyuan Sewerage BOT Project		-	1,944,524	-	-	-	1,031,064	-	-
Subsidiary Ji Shun Life Ech Corp., Ltd. - Qingpu Project		-	-	-	-	136	1,337,718	-	-
Construction and engineering revenue		-	143,438	-	-	-	120,801	-	-
Sales revenue from department store		-	992,187	-	-	-	738,143	-	-
Hospitality service revenue		-	276,939	-	-	-	276,517	-	-
Rental revenue		-	743,739	-	-	-	767,969	-	-
Service revenue		-	81,343	-	-	-	69,079	-	-
Others		-	643,808	-	5,313	-	635,798	-	-
Total		-(Note)	6,767,019	-	5,313	-(Note)	6,259,097	-	-

Note : Sales information is not available for other subsidiaries because the concept of sales volume is not applicable (no quantitative summation is possible).

The Company's consolidated statements of operating revenue include construction revenue, sales revenue from department store, hospitality service revenue and rental revenue. In 2020, operating revenue increased as the Daqiao Project at Xinzhuang Line (MRT) was completed and delivered. The remainder included revenue from sewage treatment, department stores, hotel services and operating leases contributed by subsidiaries. In 2021, in addition to revenue generated from the sale of remaining houses, the Qingpu project was also completed and delivered in the middle of the year. While other sources include revenue from sewage treatment, department stores, hotel services and operating lease income contributed by subsidiaries.

III. Information on Employees in the Last Two Years up to the Publication Date of this Annual Report (i.e. number of employees, average years of service and age, proportion by educational levels)

Year		2020	2021	2022 (As of March 31)
Number of Employees	Manager Officer	42	44	48
	Salesperson	31	30	28
	General Staff	752	710	713
	Total	825	784	789
Average Age		40.6	38.1	38.3
Average Years of Service		4.7	5.8	5.9
Education Level	Doctor	1.01%	0.73%	0.93%
	Master	7.96%	12.62%	12.64%

Year		2020	2021	2022 (As of March 31)
Distribution Ratio (%)	College	77.70%	73.96%	73.63%
	Senior High School	12.10%	11.00%	11.10%
	Below Senior High School	1.23%	1.69%	1.70%

Note: The total number of employees of the Company and each subsidiary.

IV. Environmental Protection Expenditure

The total amount of losses (including compensation) and penalties as a result of environmental pollution in the most recent fiscal year and up to the date of publication of the annual report. Explain future countermeasures (including improvement measures) and possible expenditures: None.

V. Labor Relations

(I) The Company's various policies including employee welfare measures, continuing training, training, retirement systems and their implementation, as well as agreements between labor and management and various employee rights protection measures

1. Employee Welfare Measures:

Since the establishment, we have always placed great emphasis on harmonious industrial relations and employee benefits. Not only do we comply with regulations stated in the Labor Standards Act, on June 18, 1998, the Employee Welfare Committee was established after approval of Department of Labor, Taipei City Government (Taipei City (Labor) Yi-Zi Order No.8722073500). The following employee welfare activities are conducted as required by the regulations.

- (1) Labor insurance, national health insurance and labor pension contributions are provided as required by the regulations.
- (2) Organize periodic tours.
- (3) Employee group insurance.
- (4) Gifts or money for 3 major festivals, birthdays, marriages, and birth.
- (5) Consolation money for employees' hospitalization, funerals and bereavement.
- (6) Employee recognition.
- (7) Departmental friendship activities.
- (8) Year-end party and lucky draws.
- (9) Employees' regular health examination.
- (10) Help to employees in the event of an emergency

In order to retain and cultivate outstanding talents, motivate employees to stay at the Company for a long time, and leverage their strengths, the Company provides incentive plans for the purpose of enhancing employees benefits and assisting employees with long-term savings, investment, and financial management. On October 20, 2020, the Company established the Radium Life Tech Co., Ltd. Employee Stock Ownership Plan to implement an employee stock ownership plan, applicable to formal employees of the Company and its subsidiaries' employees who have passed the probation period. Members contribute a certain amount from their monthly salary, and the members' company matches a certain percentage of that amount, which is then deposited into a trust account, which is managed and utilized by a trusted bank. It not only achieves the purpose of retaining talent but also assists employees in accumulating wealth, planning for future retirement lives, and achieving a win-win outcome and shared benefit for labor and management.

2. Employees' Training and Development:

In order to implement the purpose of talent cultivation, Radium has established a complete training and development system to enhance the professional knowledge and skills of all employees and to put more emphasis on high-potential management talents. The current training and development programs of the company are as follows:

(1) New Employee Orientation:

The training is to help new employees to understand the Company's background, rules and regulations, roles and responsibilities, as well as to integrate them into the corporate culture so that new employees could not only adapt to the workplace but also give full play to performance as soon as possible.

(2) Management Competency Training:

The training programs are planned for supervisors of each level to advance management competency and capability which may include, but are not limited to, leadership, communication, adaptability, and crisis management.

(3) Professional Competency Training:

The inheritance of successful experience is significant for each of business unit so that the nominated employees are assigned to take part in training held by external institution or participate in well-designed internal training, consisting of courses and lectures given by internal professionals or external industry experts specializing in domain knowledge, to gain knowledge and to advance skills.

(4) General Competency Training:

The design of the training emphasizes business-oriented mindset and interactive practice to assist employees to work effectively and efficiently. Employees are arranged to upgrade themselves to encounter new challenges with accumulation of their seniority and achieve the goals set by the organization.

(5) Language Training:

In response to globalization, internationalization and the long-term development strategies of the organization, employees are arranged courses to improve their language ability so as to apply in work and daily life. At the same time, it can also help employees to obtain the first-hand information such understanding the culture and history of other countries and then to communicate appropriately with foreigners as working.

(6) Diversity Lectures:

To broaden employees' horizon, several of experts and masters in different fields are invited to diversity lectures to share their domain knowledge and life experience, which inspire employees to think cross-border and obtain multi-dimensional experience.

(7) E-Learning:

To satisfy the learning needs of employees and encourage them to learn proactively, Radium builds a digital learning system and then provides online courses made by internal selected trainers or procured from external institutions for employees to learn anytime and anywhere.

According to "Employee Training Management Regulation" and training and development needs, Radium plans management competency training, professional competency training, and general competency training annually to empower employees' competency and capability. At the same time, Radium provides training and development subsidy each year for every employee to choose work-related internal or external courses freely, enhancing overall human capital as well as business performance. The results of training and development of 2020 are referred to the table below:

Courses		Courses	Number of sessions	Total participants
I.	New Employee Orientation	6	126	1,008
II.	Management Competency Training	30	776	2,467
III.	Professional Competency Training	28	535	1,376
IV.	General Competency Training	25	491	1,268
V.	E-Learning	5	1,006	1,225
Total		94	2,934	7,344

3. The Company's personnel related to the transparency of financial information and their attained licenses as required by the competent authorities:

- (1) Jacksoft Certified CAATs Practitioner (JCCP): 1 in Audit Division.
- (2) Taiwan Certified Public Accountant: 1 in Audit Division.

4. Retirement System and its Implementation

- (1) In line with the regulations stipulated in the "Labor Standards Act", the Company has a defined benefit retirement plan that applies to workers whose seniority prior to the applicability of the "Labor Pension Act" enforced on July 1, 2005, and to employees' subsequent years of service who choose to opt for the "Labor Standards Act" after the implementation of the "Labor Pension Act". Employees who are qualified for retirement, under the defined benefit pension plan, retirement funds are calculated based on the average salary of the six months prior to retirement. Two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. On May 19, 1998, the Company established the Labor Pension Fund Supervisory Committee through the approval letter Bei-Shi-Fu-Lao-Er-Zi Order No. 8703955900. The Company contributes monthly an amount equal to 2% of the employee's month salary to the retirement fund deposited with Bank of Taiwan under the name of the Labor Pension Fund Supervisory Committee.
- (2) From July 1, 2005, the Company established a defined allocation retirement plan based on the "Labor Pension Act" to accommodate the new allocation system of labor retirement fund. For those who choose the carrying account (new system), not less than 6% of the monthly wages will be allocated to their personal account opened by the Bureau of Labor Insurance, Ministry of Labor.

5. Agreement between Labor and Management

- (1) The Company plans HR Management Regulations in accordance with laws and regulations and carries out reviews on related personnel system while establishing strategies to accommodate changes in the social and economic environment. The Company also attaches great importance on the employee's salaries and benefits - in terms of the remuneration system: not only are the employee's bonuses linked to the Company's operating performance, but personal performances are equally crucial, so that the Company and employees can jointly create a win-win situation; in terms of the welfare system: the Employee Welfare Committee plans diversified welfare measures to enhance the friendship among co-workers as well as looking after the employee's physical and mental health. Moreover, we also provide an excellent workplace and smooth labor-management communication channel. A labor-management meeting is held each quarter and the "Employee Care Letterbox" has been set up to promote communication exchange between the employee and employer for harmonious industrial relations.

- (2) We have established the “Improvement Proposal Management Measures” to encourage employees to propose company improvements and innovative suggestions on their own initiative. As a consequence, we hope to improve work efficiency and customer service quality while effectively saving costs and increasing income. The proposals by the employee are served as an important reference for the Company's management.
- (3) The Company has had harmonious industrial relations over the years without any major disputes between the employee and employer.

6. Employee Rights Protection Measures

(1) Employee's Work Environment and Personal Safety Protection Measures

A. Disaster Preventive Measures and Responses

- (a) The Company has established the “Safety and Health Work Rules” as required by the “Occupational Safety and Health Act”. All employees and non-employees of the Company must comply with these Rules in the workplace. Through promoting awareness of occupational hazards and safety and health education, occupational hazards can be effectively prevented, protecting the safety and health of our employees.
- (b) Hold Regular Education & Training and Fire Safety Drills
 - b-1 New employees: Labor safety training courses are arranged in the training of new recruits to allow new employees to have basic knowledge regarding the Company's safety and health management.
 - b-2 In-service employees: Fire and disaster prevention drills are held on a regular basis to allow employees to have basic first aid knowledge, and for them to be familiar with escape routes while strengthening their capability in the event of an emergency.
- (c) Formulate occupational safety and health management plans and enforce the government's policy in strengthening the implementation and promotion of safety and health as well as environmental protection through execution, review and revision. Also, safety and health information is also being promoted on the Company's internal website (EIP). Through carrying on with the PDCA Procedure, risk of hazards is reduced year by year, reaching the ultimate goal of zero disasters.
- (d) At Radium, we also take references from the “Taiwan Occupational Safety and Health Management System (TOSHMS)” promulgated by the Council of Labor Affairs of the Executive Yuan with an aim of strengthening the cooperation between the Company and employees in order to continuously enforce safety and health self-management activities. By taking this approach, occupational hazards can be reduced and, occupational safety and health facilities improved, further protecting the safety and health of employees and improving the safety and health standards.

B. Access Control Security

- (a) 24-hour strict access control system.
- (b) Established a police-civilian connection for comprehensive protection.
- (c) Entered a contract with a security company to ensure all-day access security.

C. Workplace Health Promotion

- (a) Employee health examination: an annual health examination to all employees is provided. The Company also works with several major hospitals and health examination centers and has set up a blood pressure machine in the Company to ensure the health of each employee.
- (b) Daily health exercise: daily health exercise helps start a good day. Through our daily morning exercise, we encourage employees to stretch their muscles and bones to boost their working spirit.

(c) Establishing on-site health care: we provide the promotion and enforcements of health services to improve and maintain the physical and mental health of all employees. We also assist in organizing health education events to raise awareness on health concepts.

D. Insurance and medical assistance

(a) Aside from the statutory labor insurance coverage for employees, we also provide employee group insurance. Relief to employees or their heirs is also provided in the event of a serious accident or death.

(b) In addition to the basic protection including labor and national health insurance as required by the law, we also provide comprehensive employee group insurance protection including occupational hazard, life insurance, accident insurance, medical insurance, cancer insurance and travel insurance (for traveling activities).

E. Mental health

(a) Gender equality in the workplace: sexual harassment prevention measures, complain and disciplinary guiltiness have been formulated.

(b) Employee care letterbox: in an effort to ensure all employees are happy in the working environment, we have set up an employee care letterbox in the hope that all employees can use this communication channel to convey their voices and suggestions to the Company so that communication between work and life can be exchanged. Where there is a major event that affects the Company's operations, employees will be notified via email or EIP to ensure timely communication.

(II) Employee conduct or code of ethics

The Company has established the "Instructions for Employee's life", which Article 11 states:

Article 11 Conflict of Interest

Employees shall not take part in activities that are harmful to the Group:

1. Employees are prohibited from investing, financing, and trading with suppliers, customers, contractors or competitors related to the Group or serve as a consultant to avoid affecting the independence of the employee in their duties. In the event of an employee breaking the rule, which has been proven to be true, the employee shall be dismissed.
2. Employees must avoid unhealthy habits and unnecessary entertainment; the president (and below) is prohibited from accepting gifts and hospitality from suppliers, customers, contractors or competitors related to the Group. In the event where refusing is impossible, supervisors must be notified immediately and if it cannot be achieved, the supervisor must be notified within one day of the date of the incident (excluding official holidays). If an employee accepts gifts and hospitality from customers without notifying their supervisor, the employee shall be disciplined with a major demerit. If the case is significant which has been proven to be true, the employee shall be dismissed.

In addition, the Company's "Rewards and Disciplinary Measures" clearly states basis for rewards and disciplines for employees to be aware of the required behavioral standards. Rewards and disciplines of the employee will be used as a reference for personal performance evaluation. The aforementioned mentioned "Notice to Employees" and "Rewards and Disciplinary Measures" are announced on the Company's internal website (EIP). As a part of the Company, employees shall maintain healthy ethics and values and abide by these regulations.

In order to implement the Ethical Corporate Management Best Practice Principles and to effectively control and manage reported cases, and to establish smooth reporting channels and fair investigation procedures to correct possible misconduct, the Company has formulated the Reporting Management Regulations as approved by the board of directors, and established a whistleblower mailbox on the official website of the Group for internal and external personnel. Once a reported case is accepted, the confidentiality

of the identity of the whistleblower and the content reported will be ensured throughout the investigation process. If an employee is proved to have violated rules, it shall be handled in accordance with the Company's Regulations of Reward and Punishment Management. If there is indeed a violation of relevant laws and regulations as proved in the investigation, the Company will take appropriate legal actions when necessary to protect the Company's reputation and rights and interests.

- (III) List any loss sustained as a result of labor disputes in the most recent fiscal year and up to the date of publication of the annual report, disclose an estimate of losses incurred to date or likely to be incurred in the future, and indicate mitigation measures being or to be taken. State the fact if they cannot be reasonably estimate:
1. The Company has had harmonious industrial relations over the years without any major disputes between the employee and employer.
 2. The Company plans HR Management Regulations in accordance with laws and regulations and carries out reviews on related personnel system while establishing strategies to accommodate changes in the social and economic environment. In addition to attaching great importance on the employee's salaries and benefits, the Company also provides an excellent workplace and smooth labor-management communication channels. A labor-management meeting is held each quarter and the "Employee Care Letterbox" has been set up to promote communication exchange between the employee and employer for smooth harmonious industrial relations.

VI. Cyber Security Management

(I) Cyber Security Organizational Structure

In 2021, we set up an "Information Security Team" under the Development team. The Team is made up of the Information Division and the Group's senior executives responsible for the formulation of policies concerning the coordination and protection of information security, as well as risk management and compliance checks. The Team regularly reports to the Board of Directors and the Audit Committee on the effectiveness of information security management, information-related issues and its operating status. The Audit Committee proposes recommendations on the implementation results and submits these results to the Board of Directors.



(II) Cyber Security Policy and Operation

1. Information Security Policy

In order to effectively implement information security management, we review the suitability of the information security policy and protection measures through phased

management of the plan-do-check-act (PDCA) cycle.

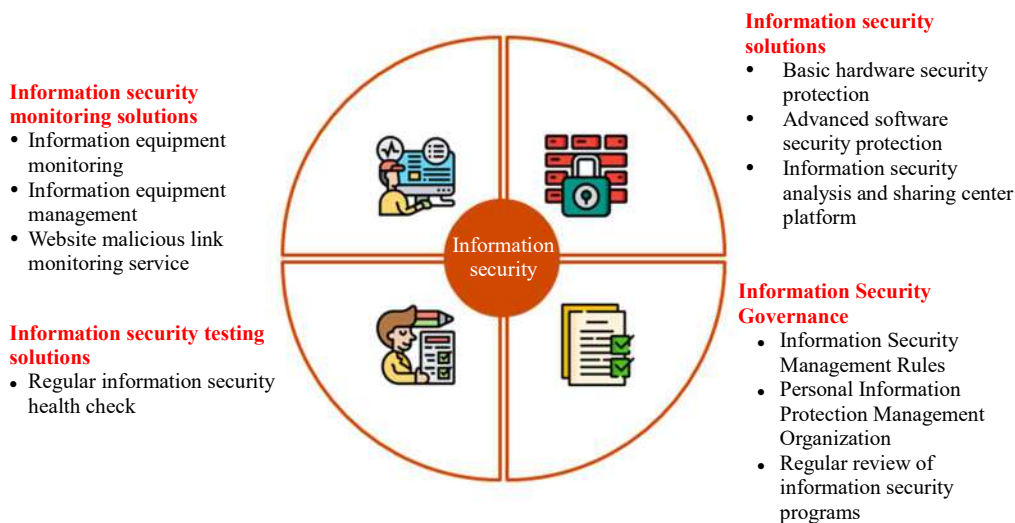
The “planning phase” - we focus on information security risk management to establish complete information security management rules. While reducing corporate information security threats via systems, technologies and procedures, we establish confidential information protection services with the highest specifications.

The “do phase” - we construct multi-layer information security protection and continue to introduce innovative technologies for information security defense. By integrating the information security control mechanism into the daily workflow of hardware and software maintenance and information security management, we systematically monitor information security, while maintaining the confidentiality, integrity and availability of the Company's important assets.

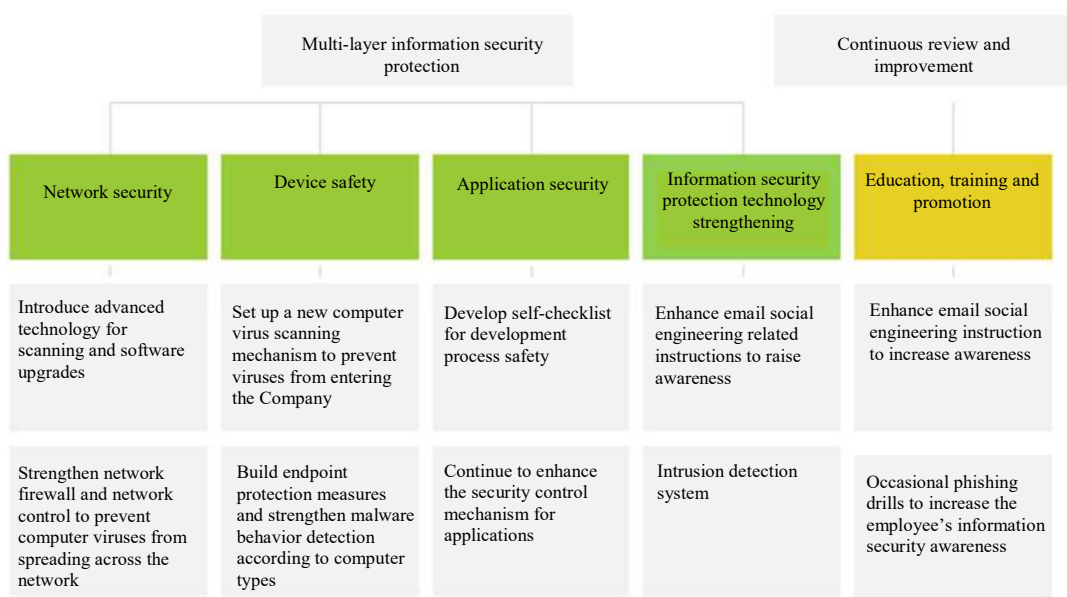
The “check phase” - we take a proactive approach to monitor the effectiveness of information security management, which is audited by the Company’s internal auditing unit and external CPAs. The audit results are submitted to the Board of Directors.

The “act phase” - based on the principle of review and constant improvement, we implement supervision and audits in order to ensure the continuous effectiveness of information security regulations. Routine review and implementation including information security measures, education and training and information security promotion improvements, make certain that the Company's confidential information is not leaked.

2. Information Security Operation



3. Specific management solutions



(III) Cyber Security Risk and Countermeasures

1. Information technology security risks and management measures

The Company has established comprehensive information security protection measures for networks and computers. However, there is no guarantee that the computer systems controlling or maintaining important corporate functions such as the Company's business and statements can fully avoid cyber attacks from any third-party crippled systems. These cyber attacks are illegal intrusions into a company's internal network systems with the intent to cause damage to their daily operating activities which may result in significant losses or seriously affect the company's reputation. When suffering from a serious cyber attack, the system may lose important company information and related services may be forced to a standstill.

We ensure the suitability and effectiveness of information security regulations and procedures through continuous reviews and evaluations. However, as information security threats are rapidly changing, there is no guarantee that the Company will be unaffected by evolving risks and attacks. Cyber attacks may also attempt to steal business

secrets and other confidential information. For example, trade secrets of customers or other interested parties and personal information of the Company's employees. Cyber attacks could also cause the Company to bear significant liability with respect to legal cases or regulatory investigations arising from the leaking of information regarding its employees, customers or third parties, to whom the Company has a duty of confidentiality. We have 3 directions in place to responds to such issues:

- (1). "Educational aspect": Conduct information security promotion in meetings or through education and training to raise employee's awareness of information security. Furthermore, we will continue to develop information security professionals.
- (2). "System aspect": Establish cross-departmental information security teams to protect the security of resource sharing and establish relevant information security standards.
- (3). "Technological aspect": Appropriate solutions are evaluated to be introduced according to the sensitivity of the information to be protected.

2. Major cyber security events:

The Company's computers were infected by a virus in October 2021, affecting a section of its computer system and related information and services. The infection was caused by external hackers planting ransomware and the Company's network firewall was not effective in preventing the virus from spreading. We have taken proactive actions to prevent such incidents including: strengthening the network firewall and network control to prevent the spread of computer viruses across the office, further improving the Company's malware protection, allocating additional budgets, strengthening information technology security, and improving data backup. Our measures have been implemented to help strengthen information security; however, as the network world is rapidly developing, we cannot guarantee that we will not suffer malware attacks in the future.

VII. Important Contract

The supply and sales contracts, technical cooperation contracts, construction contracts, long-term loan contracts and other contracts of significance to shareholders' equity that were in force as at the date of printing of the annual report and that expired in the latest year.

No.	Company	Nature of the Contract	Counterparty to the contract	Start and end dates of the contract	Main Content	Restrictions Terms and Conditions
1	Radium Life Tech Co., Ltd.	Development investment contract	Taipei City Government	From 2009/2/19 to The Completion and Delivery Date	Land Development Investment Agreement for Daqiao Elementary Station, Xinzhuang Line (MRT)	N/A
2	Radium Life Tech Co., Ltd.	Land Tender for Sale Contract	Construction & Planning Agency, Ministry of the Interior	From the signing date of 2011/11/21 to the performance of all obligations under the contract	Planning, Development, Construction, Sale and Leasing of Fu-Jou Affordable Housing, Banqiao, New Taipei City	Note 1
3	Radium Life Tech Co., Ltd.	Engineering Contract	Dehwa Construction Co., Ltd.	From the signing date of 2016/1/13 to the completion date of the project	Contract for Phase III Construction Works of the Land Development Investment Agreement for Daqiao Elementary Station, Xinzhuang Line (MRT)	N/A

No.	Company	Nature of the Contract	Counterparty to the contract	Start and end dates of the contract	Main Content	Restrictions Terms and Conditions
4	Radium Life Tech Co., Ltd.	Engineering Contract	Yongwei Mechanical and Electrical Engineering Co., Ltd.	From the signing date of 2016/1/13 to the completion date of the project	Contract for Phase III E&M Works of Land Development Investment Agreement for Daqiao Elementary Station, Xinzhuang Line (MRT)	N/A
5	Radium Life Tech Co., Ltd.	Engineering Contract	Titan development and construction co., Ltd.	From the signing date of 2020/2/27 to the completion date of the project	Elderly Care Project - Sanzhi - Sanzhi East Side Construction Project - Preliminary project	N/A
6	Radium Life Tech Co., Ltd.	Construction Contract	Titan Development and Construction Co., Ltd.	From the signing date of the contract on August 18, 2021 to the completion date of the project	Elderly Care Project - Sanzhi - Sanzhi East Side Phase II Construction Project	N/A
7	Radium Life Tech Co., Ltd.	Construction Contract	Titan Development and Construction Co., Ltd.	From the signing date of the contract on July 15, 2021 to the completion date	Radium Life - Sanzhi West Side Construction Project - Preliminary project	N/A
8	Radium Life Tech Co., Ltd.	Contract of Credit Award	Bank of Taiwan, Mega International Commercial Bank, Taiwan Cooperative Bank and five other banks	From the signing date of 2018/12/7 to the date of liquidation of the financing	Joint Credit Agreement	Note 2
9	Radium Life Tech Co., Ltd.	Urban Regenerator's Project Implementation Contract	Cathay United Bank Company Ltd.	From the signing date of 2021/5/28 to the completion date	Urban renewal project in Lot 246, Subsection 2 Gongyuan Section, Zhongzheng Dist., Taipei City	N/A
10	Titan Development and Construction Co., Ltd.	Urban Regenerator's Project Implementation Contract	Taiwan Railway Administration, Ministry of Transportation and Communications	From the signing date of 2020/2/6 to the completion date	Urban renewal project in the old dormitory area east of Kaohsiung Railway Station	N/A
11	Wan Da Tong Enterprise Co., Ltd.	Development and operation contract	Taipei City Government / Taiwan Railway Administration, Ministry of Transportation and Communications / Department of Rapid Transit Systems, Taipei City Government	From the signing date of 2004/12/27 to the termination of the surface rights contract	Development and operation of the T9 BOT	Note 3

No.	Company	Nature of the Contract	Counterparty to the contract	Start and end dates of the contract	Main Content	Restrictions Terms and Conditions
12	Wan Da Tong Enterprise Co., Ltd.	Establishment of the surface rights contract	Taipei City Government/Taiwan Railway Administration, Ministry of Transportation and Communications	50 years from the signing date of the contract on 2005/1/26	Right to develop and operate the surface rights of the T9 BOT	N/A
13	Wan Da Tong Enterprise Co., Ltd.	Lease agreement	Jing-Jan Retail Business Co., Ltd.	Signed on 2009/6/24 for a term of 20 years from the commencement of the lease	Operation of a shopping mall at the T9 BOT	N/A
14	Wan Da Tong Enterprise Co., Ltd.	Lease agreement	L'HOTEL DE CHINE CORPORATION	Signed on 2005/8/11 for a term of 20 years from the commencement of the lease	Operation of a hotel at the T9 BOT	N/A
15	Wan Da Tong Enterprise Co., Ltd.	Lease agreement	VIE SHOW CINEMAS CO., LTD.	Signed on 2006/4/19 for a term of 20 years from the commencement of the lease	Operation of a movie theater at the T9 BOT	N/A
16	Wan Da Tong Enterprise Co., Ltd.	Lease agreement	PRESIDENT BEING CORP.	2018/1/1~2025/12/31	Operation of a gym at the T9 BOT	N/A
17	Wan Da Tong Enterprise Co., Ltd.	Contract of Credit Award	15 Banks including Taiwan Cooperative Bank and Mega International Commercial Bank	2007/5/15-2022/5/15	Joint Credit Agreement for the T9 BOT	Note 4
18	Zhao Yao Enterprise Co., Ltd.	Establishment of the surface rights contract	Northern Region Office, National Property Administration, Ministry of Finance	2011/1/12~2061/1/11	Establishment of surface rights and development rights over state-owned non-public land at Lot 63, Second Subsection, Fuxing Section, Taipei City	Note 5
19	Zhao Yao Enterprise Co., Ltd.	Contract of Credit Award	King's Town Bank Co., Ltd.	2018/8~2033/8	Credit Agreement for Development of Surface Rights over state-owned non-public land at Second Subsection, Fuxing Section, Taipei City	N/A
20	Zhao Yao Enterprise Co., Ltd.	Lease agreement	CLI Investment Limited, Taiwan Branch	15 years from the day after the expiry of the rent-free period for the decoration	Hotel operating lease agreement based on surface rights and development rights established over state-owned non-public land	Note 6

No.	Company	Nature of the Contract	Counterparty to the contract	Start and end dates of the contract	Main Content	Restrictions Terms and Conditions
					at Lot 63, Second Subsection, Fuxing Section, Taipei City	
21	Rih Yao Development Co., Ltd.	Establishment of the surface rights contract	Taipei City Government	From the signing date of 2020/10/25 until all obligations under the contract are fulfilled	Surface rights and development rights established over state-owned non-public land at Lot 63, Second Subsection, Fuxing Section, Taipei City	Note 7
22	Rih Yao Development Co., Ltd.	Contract of Credit Award	Taiwan Shin Kong Commercial Bank Co., Ltd.	2019/9/16-2024/9/16	Establishment of the surface rights and development rights over state-owned non-public land at Second Subsection, Fuxing Section, Taipei City	N/A
23	Rih Yao Development Co., Ltd.	Lease agreement	The Home Hotel	15 years from the earlier of the date of expiration of the rent-free period for the decoration or the date of commencement of business of the subject property (hotel) and issuance of invoice	Hotel operating lease agreement based on surface rights and development rights established over state-owned non-public land at Second Subsection, Fuxing Section, Taipei City	N/A
24	Rih Ding Water Enterprise Co., Ltd.	Investment contract	Taoyuan City Government	35 years from the day following the signing date of 2012/10/29	Taoyuan Wastewater Sewerage System BOT Project	Note 8
25	Rih Ding Water Enterprise Co., Ltd.	Engineering Contract	Titan Development and Construction Co., Ltd.	From the contract date of 2013/10/15 to the completion of the first phase of the project	Phase I Construction Contracting and Construction Management for the Taoyuan Wastewater Sewerage System BOT Project	Note 9
26	Rih Ding Water Enterprise Co., Ltd.	Engineering Contract	Titan Development and Construction Co., Ltd.	From the signing date of 2016/3/21 to the completion of the project	Phase I Subsequent Interceptor E&M Works, Pipeline Works, Customer Pipeline Connection Works, etc. for Taoyuan Wastewater Sewerage System BOT Project	N/A
27	Rih Ding Water Enterprise Co., Ltd.	Engineering Contract	Titan Development and Construction Co., Ltd.	From the contract date of 2017/10/12 to the completion of the project	Phase II main and secondary trunk mains, branch mains and customer line connections and construction management for the	N/A

No.	Company	Nature of the Contract	Counterparty to the contract	Start and end dates of the contract	Main Content	Restrictions Terms and Conditions
					Taoyuan Wastewater Sewerage System BOT Project	
28	Rih Ding Water Enterprise Co., Ltd.	Engineering Contract	Ding-Sheng Green Energy Technology Co., Ltd.	From the contract date of 2020/03/19 to 2022/12/31	Commissioned by Taoyuan North District Water Reclamation Centre for the procurement of labour services - the Taoyuan Wastewater Sewerage System BOT Project	N/A
29	Rih Ding Water Enterprise Co., Ltd.	Construction Contract	Ding Sheng Green Energy Technology Co., Ltd.	From the signing date of the contract on August 5, 2021 to the completion date of the project	Contracting of phase III of sewerage system and procurement contract for construction management	N/A
30	Rih Ding Water Enterprise Co., Ltd.	Construction Contract	Titan Development and Construction Co., Ltd.	From the signing date of the contract on December 30, 2021 to the completion date of the project.	Second bid for the main and secondary sewerage pipes in Neili and Bade areas and other bids for the pipe network and household drainage contracting, and procurement contract for construction management	N/A
31	Rih Ding Water Enterprise Co., Ltd.	Contract of Credit Award	12 banks including Mega International Commercial Bank	10 years from 2018/8/24	Joint Credit Agreement for Phase II of the Construction Project for the Taoyuan Wastewater Sewerage System BOT Project	Note 10
32	Rih Siang Property Management Co., Ltd.	Construction and operation contract	New Taipei City Government Urban and Rural Development Bureau	From the date of signing the contract on 2013/5/15 until the performance of all obligations under the contract	Planning, design, construction, operation and management of the BOT site for the construction of youth housing in New Taipei City, as well as repair, maintenance, renewal and addition of related facilities and equipment	Note 11
33	Rih Siang Property Management Co., Ltd.	Contract of Credit Award	7 banks including Mega International Commercial Bank	2020/1~2027/1	Joint Credit Agreement for the New Taipei City Youth Housing Construction and Operation Transfer Project (BOT)	Note 12

No.	Company	Nature of the Contract	Counterparty to the contract	Start and end dates of the contract	Main Content	Restrictions Terms and Conditions
34	Ji Shun Life Tech Co., Ltd.	Co-operative Land Building Contract	Private landowners (Unrelated party)	From the signing date to the completion of the contract	Co-operative Land Building Contract at Ching Sheng Section, Chungli District, Taoyuan City	N/A
35	Ji Shun Life Tech Co., Ltd.	Contract for Construction Works	Titan Development and Construction Co., Ltd.	From the contract date 2015/12/7 to the completion of the project	Preliminary Works for the Co-operative Land Building Project at Ching Sheng Section, Chungli District, Taoyuan City	N/A
36	Ji Shun Life Tech Co., Ltd.	Contract for Construction Works	Titan Development and Construction Co., Ltd.	From the signing date 2017/3/22 to the completion of Public Facilities and handover to the Management Committee	New Construction Works for the Co-operative Land Building Project at Ching Sheng Section, Chungli District, Taoyuan City	N/A
37	Ji Shun Life Tech Co., Ltd.	Development investment contract	Taichung City Government	From 2020/12/25 to The Completion and Delivery Date	The Land Development Project of WuRi WenXin BeiTun Line G6 Station of TaiChung Mass Rapid Transit Systems	Note 13
38	Ji Shun Life Tech Co., Ltd.	Development investment contract	Taichung City Government	From 2020/12/25 to The Completion and Delivery Date	The Land Development Project of WuRi WenXin BeiTun Line G8a Station of TaiChung Mass Rapid Transit Systems	Note 13
39	Ji Shun Life Tech Co., Ltd.	Development investment contract	Taichung City Government	From 2021/9/22 to The Completion and Delivery Date	The Land Development Project of WuRi WenXin BeiTun Line G11 Station of TaiChung Mass Rapid Transit Systems	Note 13
40	Ji Shun Life Tech. Co., Ltd.	Contract of Credit Award	Agricultural Bank of Taiwan	2017/8~2022/8	Credit Agreement on New Construction Works in the Co-operative Land Building Project at Ching Sheng Section, Chungli District, Taoyuan City	Note 14
41	Rih Zuan Green Energy Technology Co., Ltd.	Power purchase and sale contract	Taiwan Power Company	20 years from the date of first-time integration of generating units	Barging of Renewable Energy in the Northern Section of Chihshan District, Kaohsiung City	N/A
42	Jing Ding Green Energy Technology Co., Ltd.	Investment contract	Industrial Development Bureau, Ministry of Economic Affairs	24 years from the signing date of the contract on 2020/9/30, including EIA/construction	Build-Operate-Transfer (BOT) Project of Resource Processing Center in Changhua Coastal Industrial Park	N/A

No.	Company	Nature of the Contract	Counterparty to the contract	Start and end dates of the contract	Main Content	Restrictions Terms and Conditions
				period of 2 years and operation period of 20 years	by Industrial Development Bureau, Ministry of Economic Affairs	
43	Jing Ding Green Energy Technology Co., Ltd.	Contract for construction and operation services entrusted to third parties	Ding-Sheng Green Energy Technology Co., Ltd.	From the signing date of 2020/9/14, same as the duration of the investment contract	Build-Operate-Transfer (BOT) Project of Resource Processing Center in Changhua Coastal Industrial Park by Industrial Development Bureau, Ministry of Economic Affairs	N/A
44	Ding Sheng Green Energy Technology Co., Ltd.	Contract for construction works entrusted to third parties	CTCI Corporation	To be completed 2 years from the contract date of 2020/9/14, after the EIA has been approved and the Industrial Development Bureau, MOEA has agreed to commence work on site	Build-Operate-Transfer (BOT) Project of Resource Processing Center in Changhua Coastal Industrial Park by Industrial Development Bureau, Ministry of Economic Affairs	N/A
45	Ding Sheng Green Energy Technology Co., Ltd.	Contract to engage a third party to provide operation and maintenance services	ECOVE Environment Services Corporation	From the signing date of 2020/9/14, same as the duration of the investment contract	Build-Operate-Transfer (BOT) Project of Resource Processing Center in Changhua Coastal Industrial Park by Industrial Development Bureau, Ministry of Economic Affairs	N/A

Note 1: (1) The license to use the property shall be obtained by 31 December 2014 at the latest, and the handover to the purchaser shall commence by 31 March 2015.

(2) Except for the ground floor, which shall be used for commercial and service facilities, the rest of the houses to be built in this case shall be planned as suitable residential units. (3) The Company shall use 10% of the total number of suitable residential units for rental purposes (the rest shall be sold) for a period of not less than 10 years, and shall be responsible for the management of such units, after which the Company shall be free to dispose of them. (4) The average selling price of suitable residential units for sale shall be in accordance with the following regulations: The average selling price of the main building and the common parts shall not exceed NT\$195,000 per ping. The average selling price per ping of ancillary structures (balconies) shall not exceed NT\$64,300 per ping. Parking spaces, commercial and service facilities on the ground floor may be freely disposed of by the Company without the aforementioned restriction on the average selling price per ping.

Note 2: The Company is required to issue an equity transfer contract, and the current ratio shall be maintained at 75% (inclusive), the gearing ratio shall not exceed 450% (inclusive), the interest coverage ratio shall be maintained at 2 times or more, and the tangible net worth shall not be less than NT\$6.5 billion. (The above ratios are based on the consolidated financial statements).

Note 3: (1) At Wan Da Tong Enterprise Co., Ltd., the shareholders' equity as a percentage of total assets at the end of each accounting year from 2006 to the expiry date of the Development and Operation Deed shall not be less than 15%. (2) Wan Da Tong Enterprise Co., Ltd. shall not assign, donate, divide, create a pledge of or dispose of in any other manner the rights and obligations under the Development and Operation Agreement

without the consent of Party A. The same applies to the creation of surface rights. (3) (3) The management of the residences and offices constructed by Wan Da Tong Enterprise Co., Ltd. pursuant to the Development and Operation Deed shall be delivered to the Active Trust in full. (4) Upon the expiration of the development and operation contract, Wan Da Tong Enterprise Co., Ltd. shall transfer the land, operating assets or facilities to Party A without compensation in accordance with the procedures stipulated in the contract.

- Note 4: The ratio of shareholders' equity to total assets of Wan Da Tong Enterprise Co., Ltd. shall not be less than 30% and the interest cover shall not be less than 300% after 100 years.
- Note 5: (1) The duration of the surface rights in this case shall be 50 years in total. (2) Zhao Yao Enterprise Co., Ltd. shall pay the land rent on a monthly basis from the date of signing this contract. (3) Zhao Yao Enterprise Co., Ltd. shall not lease or lend the surface rights to others for building purposes. If the surface right or the building on the ground is leased or loaned to others for non-construction use, the end of the period of its use shall not be after the end of the period of continuation of the surface right.
- Note 6: The Company is acting as a joint and several guarantors under this agreement. Zhao Yao Enterprise Co., Ltd., a subsidiary of the Company, agrees to perform this lease.
- Note 7: (1) The period of continuance of the surface right in this case is 50 years. (2) Rent shall be charged on an annual basis from the date of surrender to Rih Yao Development Co., Ltd. on completion of the site. The annual rent shall be adjusted in accordance with the adjustment of the land premium in each phase. (3) Riyao shall construct the police station cum multi-purpose building on the Site with itself as the promoter. Riyao shall not change the name of the builder except with the prior written consent of Party A. (4) Rih Yao Development Co., Ltd. shall not assign the surface rights and ownership of all buildings owned by Rih Yao Development Co., Ltd. to third parties (including but not limited to by way of trust or securitization of real estate) or encumber or divide such rights, nor shall Rih Yao Development Co., Ltd. contribute to other rights or create other burdens.
- Note 8: (1) The term of the licence in this case shall be 35 years in total. However, in the event of early termination or extension in accordance with the provisions of this Contract, the term shall expire or be extended at an earlier date. (2) The maximum period of construction of the first phase of the Project shall not exceed five years from the day following the date of execution of the Contract. (3) The scale of construction of the treatment plant and the number of users connected to the pipeline shall be specified. (4) A minimum of 30% of own funds shall be maintained during the permitted period.
- Note 9: (1) The construction of sewage treatment plants (including booster stations) and their ancillary facilities shall be fully accepted and completed by 28 October 2015. (2) The construction of sewer trunk pipes, branch pipes and ancillary facilities in Taoyuan area (excluding the Bade extension area) shall be fully accepted and completed by October 28, 2017. (3) The construction management of the various phases of the project shall be completed by the completion of the first phase of the project.
- Note 10: The debt ratio of Rih Ding Water Enterprise Co., Ltd. shall remain below 160%(inclusive) from 2021 to 2025, and below 130% (inclusive) from 2026 to 2031, and the debt service ratio shall remain above 120% (inclusive) from 2021 to 2025, above 100% (inclusive) in 2026 and above 120% (inclusive) from 2027 to 2031
- Note 11: (1) The term of this Contract shall be 70 years from the date of this Contract, including the "Construction Period" and the "Operation Period". The construction period shall be 3 years from the date of this Contract. The operation period shall be 67 years from the date of commencement of the operation of the Project. Rih Siang Property Management Co., Ltd. shall commence all operations of the Project no later than 4 years from the date of signing of this Contract. (2) At least 70% of the total floor area of the building shall be used as residential units. (3) The ownership of the building shall not be sold or pre-sold. (4) The rates of the residential units shall be set by Rih Siang Property Management Co., Ltd. at its own discretion, provided that at least 30% of the rates shall not exceed 80% of the market rent and shall be announced at the time of leasing and opening of tenant applications. The same applies to adjustments. (5) Rih Siang Property Management Co., Ltd. shall invest no less than 30% of its own capital in the construction cost of the project.
- Note 12: Rih Siang Property Management Co., Ltd. shall maintain a liquidity ratio of 100% or more and a debt ratio of 250% or less.
- Note 13: It is signed together by Radium, Ji Shun Life Tech Co., Ltd. and Taichung City Governmen.
- Note 14: In this development case, a trust is required to be delivered to the granting bank for the base and an undertaking must be signed for its performance.

Financial Highlights

I. Condensed Financial Statements in the Past Five Years

(I) Condensed Consolidated Financial Statements

1. Condensed Consolidated Balance Sheet–IFRS

Unit: NT\$ Thousand

Item		Year	Financial Information in the Past Five Years (Note 1)				
			2017	2018	2019	2020	2021
Current Assets			42,312,037	17,392,970	16,282,095	14,326,158	15,095,581
Property, Plant and Equipment (Note 2)			8,109,982	8,488,398	9,399,501	9,383,154	9,128,656
Intangible Assets			2,565,067	2,765,330	3,218,112	3,433,187	3,656,170
Other Assets (Note 2)			21,125,419	22,183,818	27,170,588	29,651,297	28,049,815
Total Assets			74,112,505	50,830,516	56,070,296	56,793,796	55,930,222
Current Liabilities	Before Distribution		48,274,605	18,193,787	15,416,349	11,949,456	19,601,682
	After Distribution		48,274,605	18,909,322	15,963,734	12,507,514	(Note 3)
Noncurrent Liabilities			16,571,650	20,053,394	28,370,156	32,606,765	24,680,467
Total Liabilities	Before Distribution		64,846,255	38,247,181	43,786,505	44,556,221	44,282,149
	After Distribution		64,846,255	38,962,716	44,333,890	45,114,279	(Note 3)
Equity Attributable to Shareholders of the Parent			8,613,898	12,039,273	11,738,636	11,703,137	11,166,333
Share Capital			8,944,192	8,944,192	9,123,076	9,000,946	9,000,946
Capital Surplus	Before Distribution		3,293,407	1,299,578	1,299,873	1,307,843	1,307,843
	After Distribution		1,240,379	1,299,578	1,299,873	1,307,843	(Note 3)
Retained Earnings	Before Distribution		(3,622,604)	1,799,863	1,319,021	1,394,262	897,841
	After Distribution		(3,622,604)	905,444	771,636	836,204	(Note 3)
Other Equity			(1,097)	(4,360)	(3,334)	86	(1,545)
Treasury Share			–	–	–	–	(38,752)
Non-controlling Interests			652,352	544,062	545,155	534,438	481,740
Total Equity	Before Distribution		9,266,250	12,583,335	12,283,791	12,237,575	11,648,073
	After Distribution		9,266,250	11,867,800	11,736,406	11,679,517	(Note 3)

Note 1: The condensed consolidated balance sheets from 2017 to 2021 are prepared based on IFRS, and consolidated financial statements of each year was certified and audited by CPAs.

Note 2: The asset not implemented revaluation from 2017 to 2021.

Note 3: The amount not approved by shareholder meeting.

2. Condensed Consolidated Statement of Comprehensive Income

Unit: NT\$ Thousand

Item	Year	Financial Analysis in the Past Five Years (Note 1)				
		2017	2018	2019	2020	2021
Operating Revenue		14,212,716	31,947,334	6,325,345	6,772,332	6,259,097
Gross Profit		4,071,190	7,232,206	2,789,118	2,708,884	2,158,727
Income from Operations		(128,417)	4,287,880	611,347	452,500	215,566
Non-Operating Income and Expenses		(340,482)	(534,397)	191,228	549,158	64,365
Profit before Income Tax		(468,899)	3,753,483	802,575	1,001,658	279,931
Net Profit from Continuing Operation		(709,247)	3,446,029	466,337	667,285	63,050
Loss from Discontinued Operation		–	–	–	–	–
Net Profit (Loss)		(709,247)	3,446,029	466,337	667,285	63,050
Other Comprehensive Income (Loss), Net of Income Tax		3,070	(2,395)	4,271	3,472	(226)
Total Comprehensive Income		(706,177)	3,443,634	470,608	670,757	62,824
Net Profit Attributable to Owners of the Parent		(758,152)	3,368,318	406,731	622,688	60,343
Net Income Attributable to Non-controlling Interests		48,905	77,711	59,606	44,597	2,707
Comprehensive Income Attributable to the Owners of the Parent		(755,082)	3,366,176	410,700	626,046	60,006
Comprehensive Income Attributable to Non-controlling Interests		48,905	77,458	59,908	44,711	2,818
Earnings Per Share(NT\$)	(Note 2)	(0.85)	3.77	0.45	0.69	0.07
	(Note 3)	(0.85)	3.69	0.45	0.69	0.07

Note1: The condensed consolidated statements of comprehensive income from 2017 to 2021 are prepared based on IFRS, and consolidated financial statements of each year was certified and audited by CPAs.

Note 2: Based on the weighted average shares outstanding in each year.

Note 3: Based on the weighted average shares outstanding in each year, and retrospectively adjusted weighted average shares outstanding of previous year increased due to the unappropriated earnings and issuance of share dividends from capital surplus.

(II) Condensed Parent Company Only Financial Statements
1. Condensed Parent Company Only Balance Sheet–IFRS

Unit: NT\$ Thousand

Year		Financial Analysis in the Past Five Years (Note 1)				
		2017	2018	2019	2020	2021
Current Assets		36,922,246	12,155,313	10,390,248	9,213,568	8,335,873
Property, Plant and Equipment (Note 2)		66,446	276,738	111,699	109,474	109,151
Intangible Assets		6,164	4,546	4,335	7,186	13,521
Other Assets (Note 2)		21,324,462	23,110,392	26,760,652	26,346,895	25,981,998
Total Assets		58,319,318	35,546,989	37,266,934	35,677,123	34,440,543
Current Liabilities	Before Distribution	41,573,622	13,361,126	9,902,564	6,639,094	12,958,581
	After Distribution	41,573,622	14,076,661	10,449,949	7,197,152	(Note 3)
Noncurrent Liabilities		8,131,798	10,146,590	15,625,734	17,334,892	10,315,629
Total Liabilities	Before Distribution	49,705,420	23,507,716	25,528,298	23,973,986	23,274,210
	After Distribution	49,705,420	24,223,251	26,075,683	24,532,044	(Note 3)
Share Capital		8,944,192	8,944,192	9,123,076	9,000,946	9,000,946
Capital Surplus	Before Distribution	3,293,407	1,299,578	1,299,873	1,307,843	1,307,843
	After Distribution	1,240,379	1,299,578	1,299,873	1,307,843	(Note 3)
Retained Earnings	Before Distribution	(3,622,604)	1,799,863	1,319,021	1,394,262	897,841
	After Distribution	(1,569,576)	905,444	771,636	836,204	(Note 3)
Other Equity		(1,097)	(4,360)	(3,334)	86	(1,545)
Treasury Share		–	–	–	–	(38,752)
Total Equity	Before Distribution	8,613,898	12,039,273	11,738,636	11,703,137	11,166,333
	After Distribution	8,613,898	11,323,738	11,191,251	11,145,079	(Note 3)

Note 1: The condensed parent company only balance sheets from 2017 to 2021 are prepared based on IFRS, and parent company only financial statements of each year was certified and audited by CPAs.

Note 2: The asset not implemented revaluation from 2017 to 2021.

Note 3: The amount not approved by shareholder meeting.

2. Condensed Parent Company Only Statement of Comprehensive Income

Unit: NT\$ Thousand

Item \ Year	Financial Analysis in the Past Five Years (Note 1)					
	2017	2018	2019	2020	2021	
Operating Revenue	10,211,226	28,119,062	1,475,855	2,115,392	1,423,108	
Gross Profit	1,841,963	4,756,413	238,391	379,910	247,347	
Income from Operations	(1,175,606)	2,987,703	(667,434)	(612,376)	(503,308)	
Non-Operating Income and Expenses	419,178	382,332	1,097,793	1,255,479	565,778	
Profit before Income Tax	(756,428)	3,370,035	430,359	643,103	62,470	
Net Profit from Continuing Operation	(758,152)	3,368,318	406,731	622,688	60,343	
Loss from Discontinued Operation	–	–	–	–	–	
Net Profit (Loss)	(758,152)	3,368,318	406,731	622,688	60,343	
Other Comprehensive Income (Loss), Net of Income Tax	3,070	(2,142)	3,969	3,358	(337)	
Total Comprehensive Income	(755,082)	3,366,176	410,700	626,046	60,006	
Earnings Per Share(NT\$)	(Note 2)	(0.85)	3.77	0.45	0.69	0.07
	(Note 3)	(0.85)	3.69	0.45	0.69	0.07

Note 1: The condensed parent company only statements of comprehensive income from 2017 to 2021 are prepared based on IFRS, and parent company only financial statements of each year was certified and audited by CPAs.

Note 2: Based on the weighted average shares outstanding in each year.

Note 3: Based on the weighted average shares outstanding in each year, and retrospectively adjusted weighted average shares outstanding of previous year increased due to the unappropriated earnings and issuance of share dividends from capital surplus.

(III) Auditor's Opinions in the past five years

Year	Accounting Firm	CPAs	Audit Opinion
2017	Deloitte & Touche	Gung, Jerry, Liu, Walter	An Unqualified Opinion
2018	Deloitte & Touche	Gung, Jerry, Liu, Walter	An Unqualified Opinion
2019	Deloitte & Touche	Gung, Jerry, Liu, Walter	An Unqualified Opinion
2020	Deloitte & Touche	Gung, Jerry, Liu, Walter	An Unqualified Opinion
2021	Deloitte & Touche	Yang, Ching Cheng, Fang, Alice H.	An Unqualified Opinion

II. Financial Analysis in the Past Five Years

(I) Financial Ratio

1. Financial Ratio of Consolidated Statement –IFRS

Analysis item		Year	Financial Analysis in the Past Five Years (Note 1)				
		2017	2018	2019	2020	2021	
Capital Structure Analysis	Debts Ratio (%)	87.49	75.24	78.09	78.45	79.17	
	Long-term Funds to Property, Plant, and Equipment (%)	310.54	378.07	426.71	472.22	392.68	
Liquidity Analysis	Current Ratio (%)	87.64	95.59	105.61	119.88	77.01	
	Quick Ratio (%)	20.43	41.71	40.44	42.64	32.19	
	Times Interest Earned	0.19	4.42	1.90	2.14	1.29	
Operating Performance Analysis	Average Collection Turnover (Times)	19.30	44.71	9.71	12.10	7.83	
	Days Sales Outstanding	18.91	8.16	37.59	30.16	46.61	
	Average Inventory Turnover (Times)	0.29	1.21	0.36	0.43	0.47	
	Average Payable Turnover (Times)	2.15	5.34	0.94	1.56	1.83	
	Average Inventory Turnover Days	1,258.62	301.65	1,013.88	848.83	776.59	
	Property, Plant and Equipment Turnover Rate (Times)	1.74	3.85	0.71	0.72	0.68	
	Total Asset Turnover Rate (Times)	0.19	0.51	0.12	0.12	0.11	
Profitability Analysis	Return on Total Assets (%)	(0.12)	6.68	2.06	2.27	1.19	
	Return on Equity (%)	(8.02)	33.37	3.92	5.69	0.55	
	Pre-tax Income to Paid-in Capital Ratio (%)	(5.24)	41.97	8.80	11.13	3.11	
	Net Margin (%)	(4.99)	10.79	7.37	9.85	1.01	
	Earnings per Share (NT\$)	(Note 2) (Note 3)	(0.85) (0.85)	3.77 3.69	0.45 0.45	0.69 0.69	0.07 0.07
Cash Flow	Cash Flow Ratio (%) (Note 4)	5.71	97.80	–	–	5.93	
	Cash Flow Adequacy Ratio (%) (Note 4)	85.26	99.41	149.30	228.79	361.84	
	Cash Flow Reinvestment Ratio (%) (Note 4)	10.94	56.80	(1.85)	(1.32)	1.79	
Leverage	Operating Leverage (Note 5)	–	1.21	2.61	3.18	5.08	
	Financial Leverage (Note 5)	–	1.27	(3.35)	(1.45)	(0.40)	
Please explain the reasons of the financial ratio changes in the past two years. (Analysis may be omitted if the changes hadn't reached 20 %.)							
Please refer to (II) Analysis of financial ratio changes.							

Note 1: The financial ratios of consolidated statements from 2017 to 2021 are prepared based on IFRS, and consolidated financial statements of each year was certified and audited by CPAs.

Note 2: Based on the weighted average shares outstanding in each year.

Note 3: Based on the weighted average shares outstanding in each year, and retrospectively adjusted weighted average shares outstanding of previous year increased due to the unappropriated earnings and issuance of share dividends from capital surplus.

Note 4: "–" is for negative net cash provided by operating activities.

Note 5: If the income from operations of a year is negative, the financial ratio will not be calculated, and expressed as "–"

2. Financial Ratio of Parent Company Only Statement –IFRS

Analysis item		Year	Financial Analysis in the Past Five Years (Note 1)					
		2017	2018	2019	2020	2021		
Capital Structure Analysis	Debts Ratio (%)		85.22	66.13	68.50	67.19	67.57	
	Long-term Funds to Property, Plant, and Equipment (%)		25,201.96	8,016.91	24,498.31	26,525.04	19,680.95	
Liquidity Analysis	Current Ratio (%)		88.81	90.97	104.92	138.77	64.32	
	Quick Ratio (%)		13.22	22.06	12.53	23.31	11.09	
	Times Interest Earned		(0.28)	5.48	1.91	2.51	1.13	
Operating Performance Analysis	Average Collection Turnover Rate (Times)		336.30	408.08	12.86	24.92	40.78	
	Days Sales Outstanding		1.08	0.89	28.38	14.64	8.95	
	Average Inventory Turnover (Times)		0.25	1.16	0.13	0.20	0.15	
	Average Payable Turnover (Times)		4.26	11.94	0.72	2.35	3.38	
	Average Inventory Turnover Days		1,460.00	314.65	2,807.69	1,825.00	2,433.33	
	Property, Plant and Equipment Turnover Rate (Times)		274.79	163.87	7.59	19.12	13.01	
	Total Asset Turnover Rate (Times)		0.17	0.59	0.04	0.05	0.04	
Profitability Analysis	Return on Total Assets (%)		(0.65)	8.15	1.96	2.59	0.97	
	Return on Equity (%)		(8.53)	32.61	3.42	5.31	0.52	
	Pre-tax Income to Paid-in Capital Ratio (%)		(8.42)	37.67	4.71	7.14	0.69	
	Net Margin (%)		(7.39)	11.97	27.55	29.43	4.24	
	Earnings per Share (NT\$)	(Note 2)		(0.85)	3.77	0.45	0.69	0.07
		(Note 3)		(0.85)	3.69	0.45	0.69	0.07
Cash Flow	Cash Flow Ratio (%) (Note 4)		2.31	137.55	–	4.18	1.27	
	Cash Flow Adequacy Ratio (%) (Note 4)		95.41	119.53	251.00	533.80	905.70	
	Cash Flow Reinvestment Ratio (%) (Note 4)		5.72	82.37	(2.60)	(0.92)	(1.82)	
Leverage	Operating Leverage (Note 5)		–	1.07	–	–	–	
	Financial Leverage (Note 5)		–	1.23	–	–	–	
Please explain the reasons of the financial ratio changes in the past two years. (Analysis may be omitted if the changes hadn't reached 20 %.)								
Please refer to (II) Analysis of financial ratio changes.								

Note 1: The financial ratios of parent company only statements from 2017 to 2021 are prepared based on IFRS, and parent company only financial statements of each year was certified and audited by CPAs.

Note 2: Based on the weighted average shares outstanding in each year.

Note 3: Based on the weighted average shares outstanding in each year, and retrospectively adjusted weighted average shares outstanding of previous year increased due to the unappropriated earnings and issuance of share dividends from capital surplus

Note 4: "-" is for negative net cash provided by operating activities.

Note 5: If the income from operations of a year is negative, the financial ratio will not be calculated, and expressed as "--"

Formula of financial analysis calculation are as following:

1. Capital Structure Analysis

- (1) Debt Ratio = Total Liabilities / Total Assets
- (2) Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment

2. Liquidity Analysis

- (1) Current Ratio = Current Assets / Current Liabilities
- (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
- (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses

3. Operating Performance Analysis

- (1) Average Collection Turnover = Net Sales / Average Trade Receivables
- (2) Days Sales Outstanding = 365 / Average Collection Turnover
- (3) Average Inventory Turnover = Cost of Sales / Average Inventory
- (4) Average Payment Turnover = Cost of Sales / Average Trade Payables
- (5) Average Inventory Turnover Days = 365 / Average Inventory Turnover
- (6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment
- (7) Total Assets Turnover = Net Sales / Average Total Assets

4. Profitability Analysis

- (1) Return on Total Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate)) / Average Total Assets
- (2) Return on Equity Attributable to Shareholders of the Parent = Net Income / Average Equity
- (3) Net Margin = Net Income / Net Sales
- (4) Earnings Per Share = (Net Income Attributable to Shareholders of the Parent - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding

5. Cash Flow

- (1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities
- (2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend
- (3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital)

6. Leverage

- (1) Operating Leverage = (Net Sales - Variable Cost) / Income from Operations
- (2) Financial Leverage = Income from Operations / (Income from Operations - Interest Expenses)

(II) Analysis of financial ratio changes

1. Financial Ratio of Consolidated Statement –IFRS

Item	2020	2021	Change (%)	Description
Current Ratio (%)	119.88	77.01	(35.76)	The transfer of current liabilities from non-current liabilities was due to the maturity of long-term borrowings and bonds payable in 2021 within one year or one operating cycle, resulting in a decrease in the financial ratio compared to 2020.
Quick Ratio (%)	42.64	32.19	(24.51)	
Times Interest Earned	2.14	1.29	(39.72)	The overall profit decreased compared to the previous year mainly due to the fact that the Company did not complete any large construction projects in 2021 as well as being impacted by the COVID-19 outbreak, resulting in a decrease in times interest earned compared to 2020.
Average Collection Turnover (Times)	12.10	7.83	(35.29)	This was mainly due to receivables were higher in 2021, resulting in a decrease in average collection turnover compared to 2020.
Days Sales Outstanding	30.16	46.61	54.54	The decrease in receivables turnover rate in 2021, hence an increased in days sales outstanding.
Return on Total Assets (%)	2.27	1.19	(47.58)	The profit decreased compared to the 2021 mainly due to the fact that the Company did not complete any large construction projects in 2021 as well as being impacted by the COVID-19 outbreak, resulting in a decrease in profitability compared to 2020.
Return on Equity (%)	5.69	0.55	(90.33)	
Pre-tax Income to Paid-in Capital Ratio (%)	11.13	3.11	(72.06)	
Net Margin (%)	9.85	1.01	(89.75)	
Earnings Per Share	0.69	0.07	(89.86)	
Cash Flow Adequacy Ratio	228.79	361.84	58.15	This was mainly due to the cash inflow from operating activities as construction projects were successively delivered. These were recognized as revenue in 2021. As inventory continued to decrease, cash flow adequacy ratio increased from 2020, which resulted in a positive cash reinvestment ratio, increasing the cash reinvestment ratio from 2020.
Cash Flow Reinvestment Ratio	(1.32)	1.79	(235.61)	As being impacted by COVID-19 in 2021, operating income was insufficient to cover interest expenses, resulting in negative financial leverage.
Operating Leverage	3.18	5.08	59.75	This was mainly due to a decrease in operating income in 2021 compared to 2020; with unchanged fixed expenses, operating leverage increased in 2021 compared to 2020.
Financial Leverage	(1.45)	(0.40)	72.41	

2. Financial Ratio of Parent Company Only Statement –IFRS

Item	2020	2021	Change (%)	Description
Long-term Fund to Property, Plant and Equipment Ratio (%)	26,525.04	19,680.95	(25.80)	The transfer of current liabilities from non-current liabilities was due to the maturity of long-term borrowings and bonds payable in 2021 within one year or one business cycle, resulting in a decrease in the related financial ratio compared to 2020.
Current Ratio (%)	138.77	64.32	(53.65)	
Quick Ratio (%)	23.31	11.09	(52.42)	
Times Interest Earned	2.51	1.13	(54.98)	This was mainly due to a decrease in profitability in 2021, resulting in a decrease in times interest earned compared to 2020.
Average Collection Turnover (Times)	24.92	40.78	63.64	This was mainly due to a decrease in receivables in 2021, resulting in an increase in average collection turnover compared to 2020.
Days Sales Outstanding	14.64	8.95	(38.87)	This was due to an increase in average collection turnover in 2021 compared to 2020.
Average Inventory Turnover (Times)	0.2	0.15	(25.00)	This was mainly due to remaining houses being sold and no new construction projects were completed in 2021, resulting in a decrease in cost of goods, hence a decrease in inventory turnover compared to 2020.
Average Payable Turnover (Times)	2.35	3.38	43.83	This was mainly due to a decrease in payables in 2021, resulting in an increase in turnover rate of accounts payable compared to 2020.
Average Inventory Turnover Days	1,825	2,433.33	33.33	This was due to a decrease in inventory turnover rate in 2021 compared to 2020.
Property, Plant and Equipment Turnover (Times)	19.12	13.01	(31.96)	This was mainly due to remaining houses being sold and no new construction projects were completed in 2021, resulting in a decrease in construction revenue and profit compared to 2020, hence an decrease in related financial ratio compared to 2020.
Total Assets Turnover (Times)	0.05	0.04	(20.00)	
Return on Total Assets (%)	2.59	0.97	(62.55)	
Return on Equity Attributable to Shareholders of the Parent (%)	5.31	0.52	(90.21)	
Pre-tax Income to Paid-in Capital Ratio (%)	7.14	0.69	(90.34)	
Net Margin (%)	29.43	4.24	(85.59)	
Earnings Per Share	0.69	0.07	(89.86)	
Cash Flow Ratio (%)	4.18	1.27	(69.62)	The transfer of current liabilities from non-current liabilities was due to the maturity of long-term borrowings and bonds payable in 2021 within one year

Item	2020	2021	Change (%)	Description
				or one operating cycle, resulting in a decrease in the related financial ratio compared to 2020.
Cash Flow Adequacy Ratio	533.8	905.7	69.67	This was mainly due to the residual houses kept on being sold in 2021, resulting in a continuous decrease in inventory, hence an increase in cash flow adequacy ratio compared to 2020.
Cash Flow Reinvestment Ratio (%)	(0.92)	(1.82)	97.83	The decrease in cash flow reinvestment ratio in 2021 compared to 2020 was due to a decrease in working capital in 2021.

III. The Review Report of the Most Recent Financial Report by the Audit Committee

Radium Life Tech Co., Ltd.

Audit Committee's Review Report

We have audited the 2021 business report and financial reports (incl. consolidated and standalone financial statements). The aforementioned financial statements and earnings distribution table are audited by Deloitte Taiwan, and the CPAs have issued a report with unqualified opinions. The business report, financial statements and the motion for earnings distribution stated above have been reviewed by the Audit Committee and no discrepancy has been found. We have presented you the reports based on the provisions stipulated in Article 14-4 in the Securities and Exchange Act and Article 219 in the Company Act.

Regards,

2022 Shareholders' meeting of Radium Life Tech Co, Ltd.

Convener of the Audit Committee : K. C. Chou

March 29, 2022

- IV. The most recent annual financial report, including a CPA's audit report, a two-year comparative balance sheet, a statement of comprehensive income, a statement of changes in equity, a cash flow statement, and notes or annexes: Please see p.162 to p.266 of the annual report.**
- V. A parent company only financial statement for the most recent fiscal year, certified by a CPA: Please see p.267 to p.363 of the annual report.**
- VI. If the company or its affiliated companies have experienced financial difficulties in the most recent fiscal year and up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation: None.**

Review and Analysis of Financial Position and Financial Performance and Risk Issue

I. Financial Position

Comparative Analysis Table of Financial Position

Unit: NT\$ Thousand

Item	2020	2021	Difference		Description
			Amount	Percentage (%)	
Current Assets	14,326,158	15,095,581	769,423	5.37	
Property, plant and equipment	9,383,154	9,128,656	(254,498)	(2.71)	
Intangible assets	3,433,187	3,656,170	222,983	6.49	
Other assets	29,651,297	28,049,815	(1,601,482)	(5.40)	
Total Assets	56,793,796	55,930,222	(863,574)	(1.52)	
Current Liabilities	11,949,456	19,601,682	7,652,226	64.04	Note 1
Non-current Liabilities	32,606,765	24,680,467	(7,926,298)	(24.31)	Note 1
Total Liabilities	44,556,221	44,282,149	(274,072)	(0.62)	
Share capital	9,000,946	9,000,946	0	0	
Capital surplus	1,307,843	1,307,843	0	0	
Retained Earnings	1,394,262	897,841	(496,421)	(35.60)	
Total other equity	86	(1,545)	(1,631)	(1,896.51)	Note 2
Treasury shares	0	(38,752)	(38,752)	—	
Non-controlling interests	534,438	481,740	(52,698)	(9.86)	
Total equity	12,237,575	11,648,073	(589,502)	(4.82)	

Description: (if the changes between two consecutive years are over 10%, and the amount reaching 1% of the 2021 annual total asset, the analysis is provided.)

Note 1: The transfer of current liabilities from non-current liabilities was due to the maturity of long-term borrowings and bonds payable in 2021 within one year or one operating cycle.

Note 2: The end value of financial assets measured at FVTOCI was due to a decline compared to 2020.

II. Financial performance

(I) Comparative Analysis Table of Financial Performance

Unit: NT\$ Thousand

Item	2020	2021	Difference		Description
			Amount	Percentage (%)	
Operating revenue	6,772,332	6,259,097	(513,235)	(7.58)	Note 1
Profit from operations	452,500	215,566	(236,934)	(52.36)	
Net income before tax	1,001,658	279,931	(721,727)	(72.05)	

Note 1: As the Company did not complete any large construction projects in 2021 and coupled with the impact of the COVID-19 outbreak, consolidated operating revenue, profit from operations and net income before tax in 2021 all decreased compared to 2020.

- (II) Sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response.

The Group's revenue and profit targets for 2022 are based on the estimates of the three pillar operations: construction & development, business operation, and circular economy group. In terms of the construction & development business, it is estimated that the revenue in 2022 will mainly come from selling the residual houses for the Fu-Jou Affordable Housing Project, the MRT Daqiaotou Station Joint Development Project and the revenue recognized from the subsidiary Ji Shun Company's Qingpu Project in Taoyuan after completion. In terms of circular economy business, the revenue is mainly from the stable revenue of the Rih Ding Water Enterprise Co., Ltd's Taoyuan Wastewater Sewage System BOT project, and Ding Sheng Green Energy Technology Co., Ltd's effort in creating revenue in circular economy. In terms of the business operation, the stable year-on-year increase of revenue from the Taipei Bus Station, Qsquare, and Radium Kagaya International Hotel operated by subsidiaries is expected to contribute to the group's profits to create mutual benefit, balance the group's business affected by the fluctuations in the construction business, and contribute relatively stable income.

III. Cash flow

(I) Analysis of Changes in Cash Flow

Items \ Year	2020	2021	Percentage of change (%)
Cash Flow Ratio	-	5.93	-
Cash Flow Adequacy Ratio	228.79	361.84	58.15
Cash Re-investment Ratio	(1.32)	1.79	(235.61)

Note: "-" is for negative net cash flow from operating activities.

Description for percentage of change:

This was mainly due to the cash inflow from operating activities as construction projects were successively delivered. These were recognized as revenue in 2021, increasing the cash flow ratio to 5.93. As inventory continued to decrease, cash flow adequacy ratio increased from 2020, which resulted in a positive cash reinvestment ratio, increasing the cash reinvestment ratio from 2020.

- (II) Remedies to improvement illiquidity:

The analysis of cash flow in the consolidated statements is as the following

Unit: NT\$ Thousand

Opening cash balance (1)	Net cash flow from operating activities for the entire year (2)	Net cash flow from investments and financing activities for the entire year (3)	Effect of exchange rate changes on cash and cash equivalents (4)	Closing cash balance (1)+(2)+(3)+(4)
3,565,410	1,161,643	(1,273,355)	42	3,453,740

There was no illiquidity of the Company and each subsidiary in 2021

(III) Cash flow analysis of the year ahead:

Unit: NT\$ thousand

Cash balance at beginning (1)	Projected net cash flow from operating activities in current period(2)	Projected net cash outflow from investments and financing activities in current period (3)	Projected amount of cash surplus (1)+(2)+(3)	Remedies for cash deficits	
				Investment plans	Financing plans
3,453,740	3,206,415	(1,137,097)	5,523,058	–	–

In 2022, expects to recognize the income from the completion of selling the residual houses for the Fu-Jou Affordable Housing Project and the MRT Daqiaotou Station Joint Development Project, and the income from the completion of selling and delivery of subsidiary's Qingpu Project, as well as the net cash inflows from operating activities from the stable incomes of Rih-Ding Water, Jing-Jan Retail Business, and Wan-Da-Tong. In the next year, as repaying the construction loans along with house delivery and repaying various long-term loan principals, a net cash outflows will be generated from combining investment activities and financing activities.

Overall, in the coming year (2022), the Group will not have illiquidity.

IV. Impact to the Financial Business by the Significant Capital Expenditures in the Previous Year: None.

V. Main Reasons of Improvement Plan for Re-Investment Policy, Profit or Loss for Previous Years:

(I) The current operation of the Company's re-investees are as the following:

1. Ji Shun Life Tech Co., Ltd. is a reinvested subsidiary for the purpose of increasing the diversification of the Company's construction and development projects. In addition to providing construction business development, design, marketing, customer service, property management and other services for the Group, this company is mainly committed to urban renewal development business and elderly care business operations. This company's 2021 revenue was mainly the recognition of the sales and handover of Qingpu project. The Company recognized the reinvestment gains of Ji Shun in 2021 for NT\$127,551 thousand (excluding the reinvestment gains and losses recognized by Ji Shun itself).
2. Wan Da Tong Enterprise Co.Ltd. is a project company established to accommodate the bidding requirements of the T9 BOT project of Taipei City Government. It is responsible for the development, construction, operation and management of the bus terminal and the affiliated businesses of the T9 BOT project. In November 2020, the two-year " Smart city and Rural Living Application-Integrated ticketing with mobile payment service " program was completed, becoming the only joint ticketing system in Taiwan that integrates multiple schedules of bus operators, to bring more diversified and convenient ticketing method for passengers. Through the convenient transportation, the gap between urban and rural areas are being close, and the vigorous development of the local tourism industry is driven. With the impact of COVID-19 in 2021, people were reluctant to travel by bus, resulting in reduced trips and platform rentals, leading to a decrease in renting platforms of Wan-Da-Tong. With reduction of several costs, Wan-Da-Tong was able to

maintain profitability and the Company recognized NT\$216,562 thousand for investment profit of the company through indirect and direct shareholding.

3. Titan Development and Construction Co., Ltd. is a reinvested subsidiary, for the purpose of strengthening the quality control of the construction and grasp the progress of projects for the Group. This company mainly contracts the Group's internal construction projects in 2021, including the Taoyuan wastewater sewerage project and the Taoyuan Qingpu project, with external contracted project, Longtan Lake. The Company recognized the reinvestment loss of Titan Development and Construction in 2021 as NT\$35,645 thousand (excluding the reinvestment gains and losses recognized by Titan Company itself).
4. Jing-Jan Retail Business Co.,Ltd. is mainly responsible for operating the shopping mall in Q Square, with the business in the Taipei store continuing to steadily grow. Jing Jan Retail Business began listing on TPEX on March 31, 2018 and a branch located in Xiaobitan was open in March 2020. Although revenue of declined in 2021 as a result of the pandemic, with adequate reduction of expenses, maintained its profitability. Additionally, with innovative marketing strategies such as live-streaming marketing, a food subscription system and delivery, the Company recognized NT\$70,305 thousand for investment profit in 2021 through indirect shareholding. (Excluding the reinvestment gains and losses recognized by Jing Jan Retail Business itself).
5. Radium-Kagaya International Hotel Co., Ltd. is the Company's introduction of the Japanese hotel brand, Kagaya, which has been ranked first at the "Top 100 Hot Springs" in Japan for more than 30 years. With Kagaya, it is jointly responsible for the operation and management of a hot spring hotel in Beitou. In 2021, due to the impact of the COVID-19 pandemic, the tourist staying rate and operating performance were short of the expectation; however, the Company has been still committed to operational adjustments. With the marketing strategies enhanced via adjustment to the selling price strategy, while reducing costs and expenses, the Company seeks to improve the operations performance. In 2021, the Company recognized Radium Kagaya's reinvestment losses NT\$448 thousand.
6. Rih Ding Water Enterprise Co., Ltd. is a project company established by the Company to implement the "Taoyuan wastewater Sewage System BOT project" Rih Ding Water was established in September 2012, and the first phase plant station construction was completed in 2015; the operation began at the end of January 2016, and thus entered the operating period. The station is called "Taoyuan North District Water Resources Recycling Center". The company entered the second wastewater treatment plant construction in 2019 and completed the construction at the end of 2020. The number of households serviced in Taoyuan area had reached approximately 110,000. In 2021, the Company recognized reinvestment gain from Rih Ding Water Enterprise approximately of NT\$682,000 thousand.
7. Rih Siang Property Management Co., Ltd. is a project company established by the Company to implement the "BOT Project for New Taipei City Youth Residence Building" in May 2013. There are four sites include "New North Youth Social Housing i Go Home Zhonghe" and "New North Youth Social Housing i Go Home Sanchong 1~3". 70% of the entire project was planned to be rental housing and has been fully rented out. In the future, will be committed to the activation and utilization of 30% of the ancillary business facilities of the entire project, as the healthy residence leased to elderlies, and the stable rental

income is expected be infused. Because the income is not enough to cover operating costs, long-term lease depreciation of buildings, and overheads, the Company recognized reinvestment losses of Rih Siang in 2021 for NT\$13,395 thousand.

8. Jing Ding Green Energy Technology Co., Ltd. is a project company established by collaboration of the Group and CTCI for the bidding of the “BOT Project of Resource Processing Center in Changhua Coastal Industrial Park by Industrial Development Bureau.” As the company has not begun its operation, the Company recognized reinvestment losses of Jing Ding Green Energy in 2021 for NT\$625 thousand.
9. Ding Sheng Green Energy Technology Co., Ltd. is the Company's investment in environmental protection and renewable energy development, to create substantial benefits of environmental protection and green energy, and achieve the purpose of resource regeneration and sustainable operation. It was a newly established subsidiary in January 2019, at the initial stage, the principle is to achieve breakeven. In 2020, it mainly contracted the group's internal construction projects, including the construction of the Taoyuan wastewater treatment plant construction. In December 2020, it formed a collaborative alliance with ECOVE Environment Services Corp. have been awarded the tender of “Build-Operate-Transfer (BOT) Project of Resource Processing Center in Changhua Coastal Industrial Park by Industrial Development Bureau, Ministry of Economic Affairs”, and established Jing Ding Green Energy Technology Co., Ltd. to be responsible for the operation of this BOT project in the next 20 years. The Company recognized the reinvestment gains from Ding Sheng Green Energy in 2021 for NT\$9,727 thousand.
10. PRIT Biotech Co., Ltd. is a reinvestment made in August 2014, through Radium Far East Co., Ltd., the Company develops online sales of beauty and skin care products based on its own development of core patented technologies and materials related to beauty and skin care. During the COVID-19 pandemic in 2021, the consumers’ demand for cosmetics declined, and its income was insufficient to cover related operating expenses, and thus losses incurred, the Company recognized PRIT Biotech reinvestment losses through indirect shareholding for NT\$9,196 thousand.
11. Aside from these companies, the Company’s has other 13 companies, including Rih Zuan Green Energy Technology Co., Ltd, Jing-Jan Investment Holding Co., Ltd., Rih Ding Circular Economy Investment Holdings Co., Ltd, Rih Yao Development Co., Ltd, etc. In 2021, the Company recognized a total loss of NT\$163,055 thousand reinvestment losses for the companies above.

(II) At Radium, we take an incredibly very careful approach when it comes to making investments and keep a close eye on the financial condition and operations of the investee company at all times. We hope to get hold of the latest operating status of the investee to be used as the basis for the Company’s control and efficiency evaluation of the investee.

(III) In the future, we will make additional investments in a timely manner on subsidiaries depending on their operational needs to support their development or operation plans. At the same time, we take a serious approach to review and evaluate relevant industries with solid profitability as investment targets.

VI. Risks

(I) Impacts of fluctuations in interest rates and foreign exchange rates and inflation on the Company's profitability and action plans:

1. The impact of changes in interest rates on the Company's profitability and action plans in the most recent fiscal year and up to the date of publication of the annual report:

According to the joint meeting of supervisors and directors of the Central held on December 16, 2021, as COVID-19 outbreak subsided, global economic and trade activities have continued to rebound. The International Forecaster predicted that the global economy is looking to recover in 2022.

In terms of the global economy, as there was an imbalanced situation between supply and demand attributable to the result of the COVID-19 outbreak and economic recovery, the inflation rate of major economies is forecasted to be higher than 2020. The International Forecaster expects that the imbalance situation between supply and demand and high energy prices will ease after the first half of 2022. By the end of the year, the global inflation rate is expected to gradually stabilize. However, with the world still facing many uncertainties such as the evolution of the pandemic, changes in monetary policies of major economies as well as climate change, adding more risks to economies around the world. In terms of Taiwan's economic and financial situation, with increasing vaccination rate and thriving exports, the economy has been leading and indicators continuing to increase, the industry is optimistic toward the future outlook. Taking into account the economic and financial conditions of domestic and international economies, Taiwan's current inflation rate is under control and inflation rate in 2022 is expected to fall back. Although global economies continue to rebound, there are still potential risks; however, the domestic economy is expected to grow steadily in 2022. According to the Board of Directors of the Central Bank, as long as the policy interest rate remains unchanged, it helps to improve the overall economy and finance growing steadily. Additionally, interest rates continuously keep low under easy monetary policy, posing favorable factors in the construction industry where the Company operates in.

2. The impact of changes in foreign exchange rates on the Company's profitability and action plans in the most recent fiscal year and up to the date of publication of the annual report:

The Company and its subsidiaries are all in domestic-demand industries; therefore, foreign exchange rates do not pose significant impact.

3. The impact of changes in inflation on the Company's profitability and action plans in the most recent fiscal year and up to the date of publication of the annual report:

As the Company and its subsidiaries keep a close eye on market trends and price fluctuations at all times and remain sound relationships with suppliers and sales customers, inflation does not pose major impact on the profit or loss of the Company and its subsidiaries.

(II) Main reasons for gains or losses and action plans of policies for engaging in highly risky and highly leveraged investments, lending funds to others, endorsements and guarantees and derivatives transactions:

1. The Company and its subsidiaries all focus on our business operations and do not engage in highly risky and highly leveraged investments.

2. The Company and its subsidiaries are all in domestic-demand industries and do not engage in derivative transactions. When lending funds to others or providing endorsements/guarantees for others, we comply with the laws and regulations and the “Regulations for Lending Funds to Others” and the “Regulations for Providing Endorsement/Guarantee” formulated by each company.

(III) Future R&D Plans and Expected R&D Expense Input:

The Groups operate covering construction, department store, hotel, leasing industry, asset management, wastewater sewerage treatment, energy technical service, and cosmetics & skincare products manufacturing industries. Other than wastewater sewage treatment, the R&D is not applicable to the remaining business. The subsidiary in the wastewater sewage treatment industry plans to develop and establish a smart water management system. NT\$11,429 thousand is expected to be invested. The system operation strategy may be adjusted in time based on the sewage volume and water quality status, and the collection and analysis of on-site related data, to facilitate the stability of the effluent water quality and the improvement of operation effectiveness of the treatment system, to further minimize the treatment cost.

(IV) Impact on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company and each subsidiary pay close attention to domestic and international political and economic developments and legal changes regarding pre-sale contracts, Personal Data Protection Act, the joint tax on building and land sales system. We abide by these guidelines when conducting business as well as evaluating the Company's taxes and operations to protect the interests of the Company.

(V) Effect on the company's financial operations of developments in science and technology as well as industrial change (including cyber security risks), and measures to be taken in response:

The businesses the Company and its subsidiaries operate in cover construction, department store, hotel, rental & leasing, asset management, sewage treatment, energy technical service, and cosmetics & skincare products manufacturing industries. In terms of the construction industry, we will continue to observe the impacts from the government's housing market and interest rate policies on the real estate market. In the department store industry, the prevalence of online shopping has had an impact on physical department stores. The management has formulated relevant strategies to respond to it. Through the O2O, the continuous growth momentum of the mall is maintained. In terms of the cosmetics manufacturing industry, we will continue to work side by side with Taiwan's research institutions to contribute to the research of related technologies and the feasibility of product commercialization. In general, the Group will keep a close eye on market trends and therefore, changes in technology and industry pose no material impact on the financial operations of the Company or its subsidiaries.

Furthermore, with the development of technology and digital era, the information security risks faced by enterprises are increasing. The Company conducts information security inspections by internal audit units and external accountants every year, including information risks such as information security

policies, establishment of information security organizations, personnel security and management, asset classification and control, physical and environmental safety management, and communication and operation management are evaluated. In addition to the regular implementation reports of the information unit to the Board of Directors, the audit unit also regularly reports to the Board of Directors for inspected deficiencies and improvement plans.

The Company has established relevant information security management measures pursuant to laws and regulations, and implements information work plans accordingly; the appropriate protection measures for information assets are provided to ensure their confidentiality, integrity, and availability. The design and implementation effectiveness of various related operations are reviewed periodically, to respond to changes in the Company's internal and external environments, and reduce the Company's information security risks.

In order to reduce the risk of information system interruption which may further affect business operations, the impacts of man-made operations and natural disasters on information assets are regularly evaluated by the Group. The disaster recovery plans are formulated with regular drill to ensure the continuous operation of the Company's business. Establish access control for the computer room and notifications are actively made through monitoring equipment, to prevent equipment from theft or maliciously damaged. We continue to monitor the evolving trends of the information environment, regularly review information security protection mechanisms and solutions, and build multiple security protection systems such as firewalls, antivirus walls, and email protection. In conjunction with the Group's information security policy, the information security related knowledge is regularly promoted to enhance the information security awareness of all colleagues.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

For decades since the company established, it has been examined by domestic and foreign political and economic situations and natural disasters. Over the years, innovation, diversity, sustainability, and symbiosis have been the guidelines for corporate ethical management. Starting from the construction and building business, in line with the development of public transportation, we have built a number of MRT joint construction projects; and with the multiple-year experience, based on the needs of the society, we have stepped into the business of healthy elderly homes and circular economy. We are well aware that the maintenance of corporate image and social responsibility requires to rely on the internal solidarity of the Company to maintain the operational safety, design, technology, and demand from all aspects with unrelenting efforts, and to supervise and prevent potential political and economic changes and natural disaster crises in advance all the time.

The Group's new construction projects in recent years, including the urban renewal and renovation of dangerous and old buildings, as well as the MRT joint-development projects, are subject to building an all-age society and fulfilling social responsibilities. Based on the concept of all-generation care, with the construction specialty for decades, Radium has planned the health residence park for elderlies, "The GENESIS-Sanzhi." With an innovative compound operation mode of leasing and sale, with retention of the designers planned Sanzhi Suang-Lien Elderly Center and Tucheng Chang Gung Hospital for professional planning, to provide a full range of services for the elderlies with different needs.

In order to implement ESG responsible management, all new projects of the Group use green buildings as design benchmarks, and all of them have green building labels or are candidates for review after completion. For example, the double diamond green building community, “Radium Perfect Life,” has created a livable community for tens of thousands of people, and promoted the local economic development of Fuzhou. At the same time, the green land in the community reduces carbon emissions by 3,001 tons per year, equivalent to 7.7 Daan Forest Parks.

In an effort to speed up the construction of the circular economy business, the subsidiary completed the second phase expansion project of Taoyuan North District Water Resources Recycling Center in 2020. In 2021, the set milestone was exceeded reaching 110,000-household pipe connection, doubling sewage treatment each year. The Group also participated the Reclaimed Water BTO project of North District Water Resources Recycling Center in Taoyuan and was awarded the Best Applicant in 2022. Moreover, effluent of the original sewage plant will be converted to reclaimed water using the most advanced technology. To reach a win-win situation of environmental protection and sustainability, we have plans to use biogas produced as a by-product of the anaerobic sludge treatment system to build a biogas recovery and power technology to further reduce GHG emissions and to generate green power to be used for sewage treatment system to save energy expenditures. At Radium, we hope that we use our power as an enterprise, to strive for the development of Taiwan's green energy and contribute more power of corporate sustainability.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and corresponding measures being or to be taken: None.

(VIII) Expected benefits and possible risks associated with any plant expansion, and corresponding measures being or to be taken: None.

(IX) Risks associated with any consolidation of sales or purchasing operations, and corresponding measures being or to be taken:

1. Purchase

The businesses the Company and its subsidiaries operate in cover construction, department store, hotel, rental & leasing, asset management, sewage treatment, energy technical service, and cosmetics & skincare products manufacturing industries. In terms of construction and sewage treatment industries - purchases we make can be divided into the acquisition of land for construction and the contracting of projects. As landowners are all different, there is no risk of concentration of purchases. In terms of project contraction - not only is Titan Development & Construction responsible for construction projects, the Company also carefully selects and evaluates the most apt contractors depending on the nature of the project; therefore, there is no risk of concentration of purchases. In terms of construction industry - we subcontract to subcontractors primarily due to construction needs. In terms of department store, hotel and cosmetics & skincare manufacturing industries - we primarily purchase from department store counters, ingredients and hotel suppliers as well as suppliers for cosmetic & skincare raw materials. With the purchase objects being diversified, there is no risk of concentration of purchases.

2. Sales

The businesses the Company and its subsidiaries operate in cover construction, department store, hotel, rental & leasing, asset management, sewage treatment, energy technical service, and cosmetics & skincare products manufacturing industries. In terms of energy technical services - the Company first subcontracts its projects and labor contracts internally while proactively expanding its external business. In terms of construction and rental and leasing industries - there are many house buyers (renters), and the objects are diversified. In terms of department store, hotel, cosmetic & skincare manufacturing industries - the sales objects are general consumers with diversified customer segments. In terms of the asset management industry - it refers to the T9 BOT Project that Wan-Da-Tong is responsible for which is leased to hotels, shopping malls, cinemas, clubs and highway passenger transport operators in accordance with the property planning; there is no risk of concentration of sales.

- (X) Impact upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and corresponding measures being or to be taken: None.
- (XI) Impact upon and risk to company associated with any change in governance personnel or top management, and corresponding measures being or to be taken: None.
- (XII) Litigious and non-litigious matters; the directors, supervisors, general managers and substantial principals of the Company, the majority shareholders and affiliated companies with a shareholding ratio of more than 10% have been determined or are included in the lawsuit; non litigation or administrative litigation results may have a significant effect on the Company's shareholders' equity or securities price as of the publication of the annual report:
1. Some of the buyers of the Company's first-floor units of the Fu-Jou Affordable Housing Project in Banciao filed a lawsuit for the termination of the sale and purchase contract. The Company has reached a settlement with most of the buyers who filed a lawsuit. There is currently only one lawsuit still on trial in the court of first instance. In addition, some buyers filed lawsuits claiming that the Company failed to issue a notice of the delivery the housing project in time and that they requested deferral of interest accrued. At present, 2 cases have been reversed and remanded by the Supreme Court and sent back to the High Court for review; 1 remaining case is pending trial at a court of the third instance.
 2. Rih-Yao rented out buildings to Home Hotel on August 14, 2013. Home Hotel stated that due to the impact of the pandemic, there was an imbalance in its operating income and expenditure. Since May 2020, it has not paid rent to Rih-Yao. Both parties failed to negotiate the rent adjustment. Home Hotel has successively filed two applications for provisional injunction, requesting the court to order Home Hotel to prohibit Rih-Yao from presenting for payment for checks dated between May and July 2020 and August and December 2020. The Taiwan Taipei District Court approved the applications and implemented them accordingly. Rih-Yao has filed and interlocutory appeal against the rulings on the two provisional injunctions and remedy - the first provisional injunction is currently under trial in the High Court and Home Hotel withdrew the claim of

provisional injunction. The second provisional injunction: The Supreme Court revoked the re-appeal of the second provisional injunction (meaning that the second provisional injunction was revoked). However, Home Hotel revoked the commissioned check payment of the rent from August to December 2020, and Rih-Yao was not reimbursed.

In addition, Home Hotel filed a request to the court for a discretionary reduction of the rents from March 2020 to December 2021. At the same time, Home Hotel also filed for provisional injunction maintaining a temporary status quo and asked the court to prohibit the exercise of the right of Rih-Yao. The Taipei District Court ruled in favor of Rih-Yao. Although Home Hotel appealed again, the case was revoked by the High Court. Home Hotel re-appealed and the case is currently pending for re-trial by the Supreme Court, and then this case has been reversed and remanded by the Supreme Court and sent back to the High Court for review.

(XIII) Other important risks and corresponding measures: None.

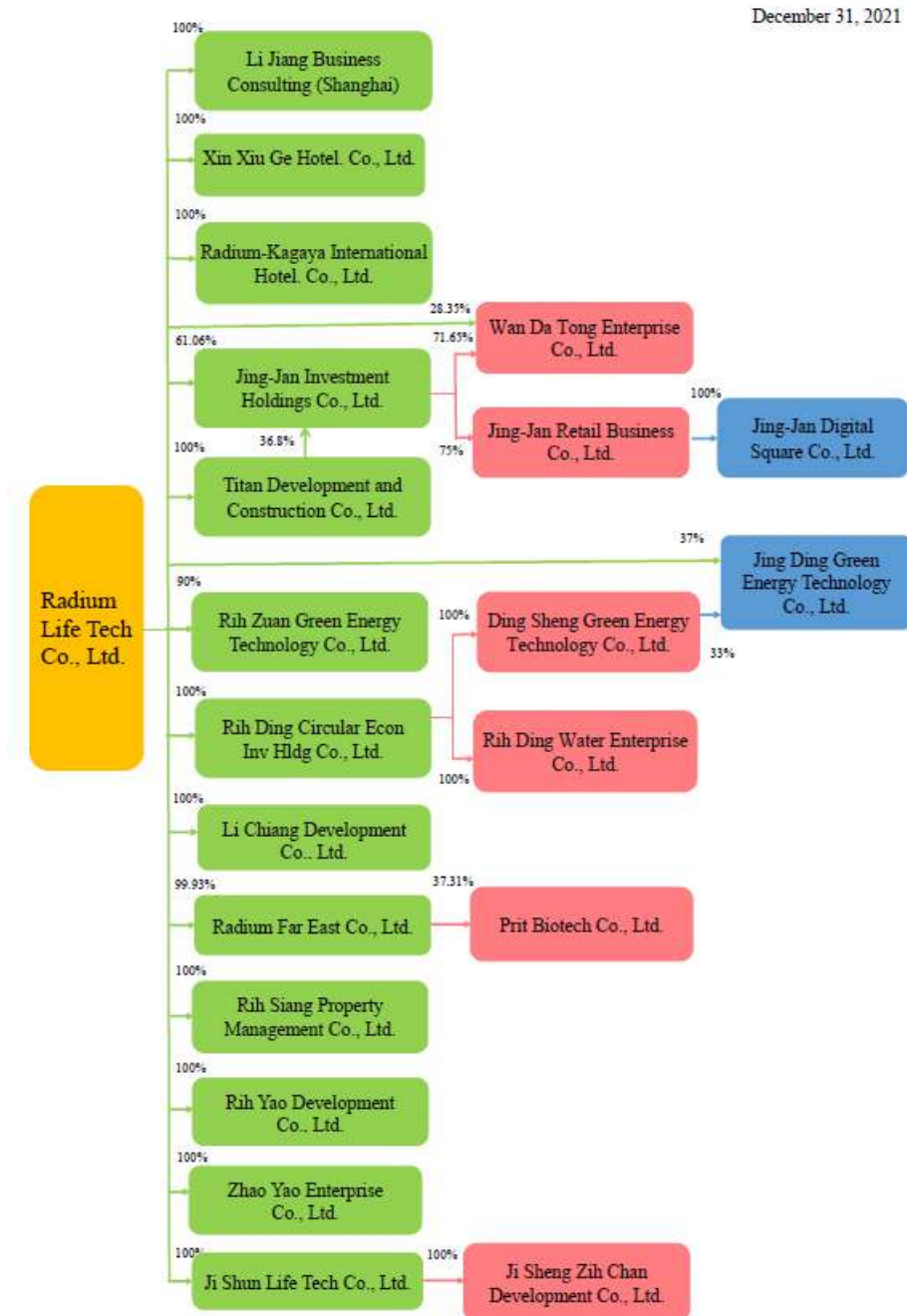
VII. Other Important Matters: None.

Special Disclosures

I. Information Relating to the Company's Affiliated Companies

(I) Overview of the Company's affiliated companies

1. Organizational table of affiliated companies



2. Basic information of affiliated companies

December 31, 2021; Unite: NT\$ Thousand

Company	Date of Incorporation	Address	Paid-In Capital	Primary business or Production
Ji Shun Life Tech Co., Ltd.	2005.07.07	13F, No. 209, Section 1, Civic Boulevard, Taipei City	700,000	Residential and Building Development & Lease and Sale Business
Zhao Yao Enterprise Co., Ltd.	2010.12.07	3F-11F. No. 23, Lane 27, Section 4, Ren'ai Road, Daan District, Taipei City; No. 25, 3F-11F. No. 25, Lane 27, Section 4, Ren'ai Road, Daan District, Taipei City; 2F-14F. No. 27 Lane 27, Section 4, Ren'ai Road, Daan District, Taipei City	2,350,000	Residential and Building Development & Lease and Sale Business
Rih Yao Development Co., Ltd.	2010.09.17	13F, No. 209, Section 1, Civic Boulevard, Taipei City	950,000	Residential and Building Development & Lease and Sale Business
Rih Siang Property Management Co., Ltd.	2013.05.01	14F, No. 209, Section 1, Civic Boulevard, Taipei City	2,300,000	Residential and Building Development & Lease and Sale Business
Radium Far East Co., Ltd.	1959.03.03	5F-2, No. 270, Sec. 4, Zhongxiao East Road, Taipei City	388,000	Residential and Building Development & Lease and Sale Business
Li Chiang Development Co., Ltd.	2008.04.08	13F, No. 209, Section 1, Civic Boulevard, Taipei City	1,000,000	Residential and Building Development & Lease and Sale Business
Rih Ding Circular Econ Inv Hldg Co., Ltd.	2020.03.05	14F, No. 209, Section 1, Civic Boulevard, Taipei City	683,000	Investment
Rih Zuan Green Energy Technology Co., Ltd.	2016.06.22	14F, No. 209, Section 1, Civic Boulevard, Taipei City	45,000	Energy Technical Services
Titan Development and Construction Co., Ltd.	1991.04.01	5F-2, No. 270, Sec. 4, Zhongxiao East Road, Taipei City	1,200,000	Comprehensive Construction Activities
Jing-Jan Investment Holdings Co., Ltd.	2012.12.12	13F, No. 209, Section 1, Civic Boulevard, Taipei City	1,500,000	Investment
Radium-KaGaYa International Hotel Co., Ltd.	2004.05.28	No. 236, Guangming Road, Beitou District, Taipei City	150,000	International and General Tourist Hotels
Xin Xiu Ge Hotel Co., Ltd.	1969.11.25	No. 238, Guangming Road, Beitou District, Taipei City	125,000	Regular Hotel
Li Jiang Business Consulting (Shanghai)	2010.08.26	Room 102, Building 49, No. 709, Lingshi Road, Zhabei District, Shanghai	52,288	Business and Corporate Management Consulting Services
Ji Sheng Zih Chan Development Co., Ltd.	2009.09.29	13F, No. 209, Section 1, Civic Boulevard, Taipei City	87,000	Residential and Building Development & Lease and Sale Business

Company	Date of Incorporation	Address	Paid-In Capital	Primary business or Production
Prit Biotech Co., Ltd.	2000.02.18	3F-1, No.50, Lane 462, Gongyi Road, Zhunan Town, Miaoli County	241,190	Biotechnology and Cosmetic Manufacturing
Rih Ding Water Enterprise Co., Ltd.	2012.09.24	No. 177, Section 1, Fuhua Road, Luzhu District, Taoyuan City	5,207,400	Sewage Treatment
Ding Sheng Green Energy Technology Co., Ltd.	2019.01.04	14F, No. 209, Section 1, Civic Boulevard, Taipei City	50,000	Energy Technical Services
Jing-Jan Retail Business Co., Ltd.	2007.09.20	No. 1, Section 1, Chengde Road, Taipei City	600,000	Department Stores
Wan Da Tong Enterprise Co., Ltd.	2004.10.28	13F, No. 209, Section 1, Civic Boulevard, Taipei City	5,220,150	Residential and Building Development & Lease and Sale Business
Jing Ding Green Energy Technology Co., Ltd.	2020.09.18	No. 76, Pinghe 1st Street, Changhua City, Changhua County	20,000	Energy Technical Services
Jing-Jan Digital Square Co., Ltd.	2012.10.26	4F, No. 1, Sec. 1, Chengde Road, Taipei City	20,000	Retail sale of Other Integrated

Note 1: The deregistration of Rih-Ding Company was completed on Feb. 25, 2021

Note 2: The deregistration of Clever Base Investments Limited was completed on Jun. 8, 2021.

Note 3: The dissolution of Wan Tong Digital was completed on Apr. 26, 2021, and the liquidation was completed on Jan. 25, 2022.

3. Information on the shareholders if construed as having control and in joint holding with the subsidiaries: None.

4. The industries covered by the group enterprises: construction, buildings, department stores, hotels, rental & leasing, asset management, sewage treatment, investment, energy technical services, retail, biotechnology, and cosmetic manufacturing.

5. Information on directors, supervisors and presidents of affiliated companies:

December 31, 2021; unit: share

Company	Title	Name or Representative	Shares held directly and indirectly and ratio	
			Number of Shares	Shareholding Ratio
Ji Shun Life Tech Co., Ltd.	Chairman	Radium Life Tech Co., Ltd.	70,000,000	100.00%
	Director	Representative: Liu Yao Kai		
	Director and President	Representative: Lin Rong Shian		
	Supervisor	Representative: Jim Lee		
Zhao Yao Enterprise Co., Ltd.	Chairman	Radium Life Tech Co., Ltd.	235,000,000	100.00%
	Director	Representative: Lin Rong Shian		
	Director	Representative: Liu Yao Kai		
	Supervisor	Representative: Lin Hua Chun		
Rih Yao Development Co., Ltd.	Chairman	Radium Life Tech Co., Ltd.	95,000,000	100.00%
	Director	Representative: Lin Rong Shian		
	Director	Representative: Shen Ching Peng		
	Supervisor	Representative: Liu Yao Kai		
		Representative: Lin Hua Chun		

Company	Title	Name or Representative	Shares held directly and indirectly and ratio	
			Number of Shares	Shareholding Ratio
Rih Siang Property Management Co., Ltd.	Chairman Director Director and President Supervisor	Radium Life Tech Co., Ltd. Representative: Lin Rong Shian Representative: Liu Yao Kai Representative: Mei Yung Ho Representative: You Wan Ying	230,000,000	100.00%
Radium Far East Co., Ltd.	Chairman Director Director Supervisor	Radium Life Tech Co., Ltd. Representative: Lin Rong Shian Representative: Liu Yao Kai Representative: Lin Yi Chun Lin Rong Chang	38,773,373	99.93%
Li Chiang Development Co., Ltd.	Chairman Director Director and President Supervisor	Radium Life Tech Co., Ltd. Representative: Lin Rong Shian Representative: Lin Hua Chun Representative: Kerwin Go Representative: Lin Rong Chang	100,000,000	100.00%
Rih Ding Circular Econ Inv Hldg Co., Ltd.	Chairman Director Director Director Director Supervisor	Radium Life Tech Co., Ltd. Representative: Shen Ching Peng Representative: Lin Rong Shian Representative: Liu Chia Jun Representative: Lin Hua Chun Representative: Hu Nien Ying Representative: Kerwin Go	68,300,000	100.00%
Rih Zuan Green Energy Technology Co., Ltd.	Chairman Director Director Supervisor	Radium Life Tech Co., Ltd. Representative: Lin Rong Shian Representative: Kerwin Go Representative: Lin Yi Chun Lin Hua Chun	4,050,000	90.00%
Titan Development and Construction Co., Ltd.	Chairman and President Vice Chairman Director Supervisor	Radium Life Tech Co., Ltd. Representative: Tseng Ching Tsung Representative: Lin Rong Huan Representative: Lin Hua Chun Representative: Chung Chang Jen	120,000,000	100.00%
Jing-Jan Investment Holdings Co., Ltd.	Chairman Director Director Supervisor	Radium Life Tech Co., Ltd. Representative: Lin Rong Shian Representative: Lin Yi Chun Representative: Gong Ming Chou Lin Hua Chun	146,784,894	97.86%
Radium-KaGa Ya International Hotel. Co., Ltd.	Chairman Director Director Supervisor President	Radium Life Tech Co., Ltd. Representative: Kerwin Go Representative: You Wan Ying Representative: Tokumitsu Atsuhito Representative: Lin Hua Chun Shen Wei Jen	15,000,000	100.00%
Xin Xiu Ge Hotel Co., Ltd. (Note1)	Chairman Director Director Supervisor	Radium Life Tech Co., Ltd. Representative: Lin Rong Shian Representative: Lin Hua Chun Representative: Kerwin Go Representative: Liu Yao Kai	125,000	100.00%

Company	Title	Name or Representative	Shares held directly and indirectly and ratio	
			Number of Shares	Shareholding Ratio
Li Jiang Business Consulting (Shanghai) (Note2)	Director	Liu Wen Chi	—	100.00%
Ji Sheng Zih Chan Development Co., Ltd.	Chairman Director Director Supervisor	King's Town Bank Representative: Lin Yi Chun Representative: Lin Rong Shian Representative: Liu Yao Kai Representative: Lin Hua Chun	8,700,000	100.00%
Prit Biotech Co., Ltd. (Note3)	Chairman Vice Chairman Director Director Director Supervisor Supervisor Supervisor	Lin Rong Shian Radium Far East Co., Ltd. Representative: Wen Chung Nan Representative: Kerwin Go Representative: Wu Jin Lie Representative: Chen Chien Lung Lin Hua Chun Ding-Sheng Digital Life Co., Ltd. Representative: Lin Chun Hung Representative: Yang Chi Yu	9,000,000	37.28%
Rih Ding Water Enterprise Co., Ltd.	Chairman Director Director and President Supervisor	Rih Ding Circular Econ Inv Hldg Co., Ltd. Representative: Lin Rong Shian Representative: Shen Ching Peng Representative: Hu Nien Ying Representative: You Wan Ying	520,740,000	100.00%
Ding Sheng Green Energy Technology Co., Ltd.	Chairman Vice Chairman and President Director Director Director	Rih Ding Circular Econ Inv Hldg Co., Ltd. Representative: Shen Ching Peng Representative: Liu Chia Jun Representative: Lin Rong Shian Representative: Kerwin Go Representative: Lin Hua Chun	5,000,000	100.00%
Jing-Jan Retail Business Co., Ltd. (Note4)	Chairman Director Director and President Director Director Director Independent Director Independent Director Independent Director Director	Jing-Jan Investment Holdings Co., Ltd. Representative: Lin Yi Chun Representative: Lin Rong Shian Representative: Ko Su Yin Representative: Wang Da-Chen Huang Bin Hsi Ku Ji Ren Yang Chao Rong Cheng Yen Yi Liu Yong Chiao	45,001,258	73.39%
Wan Da Tong Enterprise Co., Ltd. (Note5)	Chairman Director Director and President Supervisor	Jing Jan Investment Holdings Co., Ltd. Representative: Lin Rong Shian Representative: Lin Yi Chun Representative: Gong Ming Chou Lin Hua Chun	522,015,000	98.47%

Company	Title	Name or Representative	Shares held directly and indirectly and ratio	
			Number of Shares	Shareholding Ratio
Jing Ding Green Energy Technology Co., Ltd. (Note6)	Chairman	Radium Life Tech Co., Ltd. Representative: Lin Rong Shian	1,400,000	70%
	Director	Representative: Lin Hua Chun		
	Director	Representative: Tina Chen		
	Director	Ding Sheng Green Energy Technology Co., Ltd. Representative: Shen Ching Peng		
	Director	Representative: Liu Chia Jun		
	Director	ECOVE Environment Services Corp. Representative: Liao Chung Che		
	Director Supervisor Supervisor	Representative: Lee Ding Kuo Kerwin Go Ho Ai Cheng		
Jing-Jan Digital Square Co., Ltd. (Note7)	Chairman	Jing Jan Retail Business Co., Ltd. Representative: Lin Yi Chun	2,000,000	73.39%
	Director	Representative: You Wan Ying		
	Director	Representative: Wang Da Chen		
	Supervisor	Representative: Lin Hua Chun		

Note 1: The face value per share of Xin xiu ge is NTD1,000.

Note 2: It is a limited company so there are no shares.

Note 3: The Company holds 9,000 thousand shares (37.31%) of Prit Biotech through Radium Far East, owned 99.93%; therefore, the Company's indirect shareholding at PRIT Biotech is 37.29%.

Note 4: The Company holds 45,001 thousand shares (75%) of Jing Jan Retail Business through Jing Jan Investment Holding, owned 97.86%; therefore, the Company's indirect shareholding at Jing-Jan Retail Business is 73.39%.

Note 5: The Company not only directly owns 148,000 thousand shares (28.35%) of Wan Da Tong, but also holds 374,015 thousand shares (71.65%) of Wan Da Tong through Jing Jan Investment Holding, owned 97.86%; therefore the Company's indirect shareholding at Wan Da Tong is 98.47%.

Note 6: The Company not only directly owns 740 thousand shares (37%) of Jing Ding Green Energy, but also holds 660 thousand shares (33%) of Jing Ding Green Energy through Ding Sheng Green Energy Tehnology, owned 100%; therefore, the Company's indirect shareholding at Jing Ding Green Energy is 70%.

Note 7: The Company holds 2,000 thousand shares (100%) of Jing Jan Digital Square, through Jing Jan Retail Business, owned 73.39%; therefore, the Company' indirect shareholding at Jing Jan Digital Square is 73.39%.

6. Financial situation and results of operations of affiliated companies for 2021

Unit: In NT\$1000, except for earnings per share

Name of Enterprise	Capital	Total Assets	Total Liabilities	Net Worth	Operating revenue	Operating profit (loss)	Profit (loss) after tax of the period	EPS after tax
Ji Shun Life Tech Co., Ltd.	700,000	2,442,092	1,599,465	842,627	1,362,089	141,637	126,957)	1.81
Zhao Yao Enterprise Co., Ltd.	2,350,000	3,298,143	1,876,065	1,422,078	139,491	7,208	(41,701)	(0.18)
Rih Yao Development Co., Ltd	950,000	1,862,612	1,179,440	683,172	24,783	(40,022)	(65,286)	(0.69)
Rih Siang Property Management Co., Ltd.	2,300,000	3,850,650	1,931,745	1,918,905	231,862	1,484	(13,395)	(0.06)

Name of Enterprise	Capital	Total Assets	Total Liabilities	Net Worth	Operating revenue	Operating profit (loss)	Profit (loss) after tax of the period	EPS after tax
Radium Far East Co., Ltd.	388,000	502,972	83,745	419,227	5,804	(12,239)	(18,993)	(0.49)
Li Chiang Development Co., Ltd.	1,000,000	1,878,153	1,401,963	476,190	0	(12,649)	(43,990)	(0.44)
Rih Ding Circular Econ Inv Hldg Co., Ltd.	683,000	6,300,311	445	6,299,866	691,434	690,550	690,556	10.11
Rih Zuan Green Energy Technology Co., Ltd.	45,000	116,500	67,385	49,115	14,369	4,971	2,678	0.60
Titan Development and Construction Co., Ltd.	1,200,000	4,143,643	2,306,626	1,837,017	1,247,887	35,808	34,315	0.29
Jing Jan Investment Holdings Co., Ltd.	1,500,000	5,667,622	1,480	5,666,142	199,568	198,714	200,954	1.34
Radium-KaGaYa International Hotel Co., Ltd.	150,000	422,344	312,629	109,715	285,643	881	(755)	(0.05)
Xin Xiu Ge Hotel Co., Ltd.	125,000	147,023	105,809	41,214	0	(5,418)	(3,784)	(30.27)
Li Jiang Business Consulting (Shanghai)	52,288	2,497	0	2,497	0	(399)	(439)	— (Note 1)
Ji Sheng Zih Chan Development Co., Ltd.	87,000	81,560	411	81,149	0	(596)	(562)	(0.06)
Prit Biotech Co., Ltd.	241,190	178,906	25,324	153,582	27,509	(24,869)	(23,588)	(0.98)
Rih Ding Water Enterprise Co., Ltd.	5,207,400	13,329,221	7,100,116	6,229,105	1,314,905	298,319	682,000	1.31
Ding Sheng Green Energy Technology Co., Ltd.	50,000	175,089	113,180	61,909	123,771	309	9,434	1.89
Jing Jan Retail Business Co., Ltd	600,000	7,356,028	6,339,666	1,016,412	1,097,388	125,862	63,880	0.93
Wan Da Tong Enterprise Co., Ltd.	5,220,150	8,252,580	2,027,128	6,225,452	808,790	312,058	219,934	0.42
Jing Ding Green Energy Technology Co., Ltd.	20,000	19,850	1,280	18,570	0	(1,113)	(888)	(0.44)
Jing Jan Digital Square Co., Ltd.	20,000	21,737	2,746	18,991	7,966	2,747	1,860	0.93
Clever Base Investments Limited	0	0	0	0	0	(161)	(323)	— (Note2)
Wan Tong Digital Technology Co., Ltd	0	0	0	0	0	(1,624)	(1,202)	— (Note3)

Note 1: It is a limited company, and thus EPS after tax is not applicable.

Note 2: The deregistration of Clever Base Investments Limited was completed on Jun. 8, 2021.

Note 3: The dissolution of Wan Tong Digital was completed on Apr. 26, 2021, and the liquidation was completed on Jan. 25, 2022.

(II) Consolidated financial statements and statements of affiliated companies: Please refer to p.162 to p.266

(III) Affiliation report: Not applicable.

II. Any offering of securities through private placement in the most recent year to the date this report was printed: None.

III. The holding or disposition of Company shares by subsidiaries in the most recent year to the date this Report was printed: None.

IV. Other supplementary information: None.

V. Incidents that significantly affected the shareholder's equity or stock price of the Company as specified in Subparagraph 2, Paragraph 3 of Article 36 of the law in the most recent year to the date this Report was printed, if applicable, and specify one-by-one: None.

Radium Life Tech Co., Ltd.

The First Secured Ordinary Corporate Bonds Issued in 2017

1. Name of Bonds: The First Secured Ordinary Corporate Bonds (hereinafter referred to as the “Company’s bonds”) Issued in 2017 by Radium Life Tech Co., Ltd.
2. Total Amount: NT\$1 billion.
3. Par Value: NT\$1,000,000.
4. Issue Price: The bonds were issued at full par value on the issue date.
5. Period: 5 years from September 14, 2017 to September 14, 2022.
6. Coupon Rate: Fixed annual rate at 1.02%
7. Principal Repayment: In one lump sum at the end of 5 years from the issue date.
8. Interest Calculation and Payment Method: Interest is calculated yearly from the issue date accordance to the coupon rate. Interest is paid on each NT\$1 million bond up to the dollar, rounded to the nearest dollar. If the principal and interest repayment date of the Company's bonds falls on a day when the bank in the place of payment is closed, the principal and interest shall be paid on the next working day, and no additional interest shall be paid. No interest will be paid if the principal and interest are received past due date.
9. Guarantee: The Company's bonds are guaranteed by Taiwan Cooperative Bank in accordance with the Appointment Agreement.
10. Underwriting Method: The underwriting is entrusted to the securities dealer to the public in the form of negotiation and sale.
11. Underwriting or Distribution Institution: Taiwan Cooperative Securities.
12. Trustee: Jih Sun International Bank, Ltd. is the creditor’s trustee for the bonds of the Company. The creditor exercises the right and responsibility to check and supervise the Company's performance of the Company’s bond issuance, and has entered into a trust deed. All creditors holding the Company’s bonds, regardless of whether they are subscribed at the time of issuance or purchased later, shall agree to acknowledge the rights and obligations of the Trust Deed entered between the Company and the trustee. The trustee is granted full power of attorney which cannot be revoked in the middle of the process. As for the contents of the Trust Deed, the creditor is welcome to come to the Company or the trustee’s premises to inquire during the prescribed business hours.
13. Principal and Interest Repayment Agency: The Company entrusts the Sales Department of Taiwan Cooperative Bank to handle matters relating to the repayment of principal and interest. The Bank also allocates the principal and interest based on the information of bond owners provided by Taiwan Depository & Clearing Corporation. The principal and interest payment agency then prepares a withholding voucher and send it to the bond owner.
14. Notification Method: Matters concerning notifying creditors of the Company’s bonds, unless otherwise prescribed by laws and regulations, will be announced on the MOPS (<http://mops.twse.com.tw>) or are handled in accordance with regulations promulgated by Taiwan Depository & Clearing Corporation.
15. Bond Form: The Company’s bonds are issued in scripless form and registered with the Taiwan Depository & Clearing Corporation.
16. All bonds recovered (including those bought back from the secondary market) or repaid by the Company shall be cancelled immediately; they shall not be sold or reissued.
17. Sales Target: Only for professional investors as defined in the “Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds”.

Issuer: Radium Life Tech Co., Ltd.
Person in Charge: Lin Rong Shian
September 14, 2017

Radium Life Tech Co., Ltd.

The Second Secured Ordinary Corporate Bonds Issued in 2017

1. Name of Bonds: The Second Secured Ordinary Corporate Bonds (hereinafter referred to as the “Company’s bonds”) Issued in 2017 by Radium Life Tech Co., Ltd.
2. Total Amount: NT\$500 million.
3. Par Value: NT\$1,000,000.
4. Issue Price: The bonds were issued at full par value on the issue date.
5. Period: 5 years from November 23, 2017 to November 23, 2022.
6. Coupon Rate: Fixed annual rate at 1.02%
7. Principal Repayment: In one lump sum at the end of 5 years from the issue date.
8. Interest Calculation and Payment Method: Interest is calculated yearly from the issue date accordance to the coupon rate. Interest is paid on each NT\$1 million bond up to the dollar, rounded to the nearest dollar. If the principal and interest repayment date of the Company's bonds falls on a day when the bank in the place of payment is closed, the principal and interest shall be paid on the next working day, and no additional interest shall be paid. No interest will be paid if the principal and interest are received past due date.
9. Guarantee: The Company's bonds are guaranteed by Taiwan Business Bank in accordance with the Appointment Agreement.
10. Underwriting Method: The underwriting is entrusted to the securities dealer to the public in the form of negotiation and sale.
11. Underwriting or Distribution Institution: Taiwan Cooperative Securities.
12. Trustee: Jih Sun International Bank, Ltd. is the creditor’s trustee for the bonds of the Company. The creditor exercises the right and responsibility to check and supervise the Company's performance of the Company’s bond issuance, and has entered into a trust deed. All creditors holding the Company’s bonds, regardless of whether they are subscribed at the time of issuance or purchased later, shall agree to acknowledge the rights and obligations of the Trust Deed entered between the Company and the trustee. The trustee is granted full power of attorney which cannot be revoked in the middle of the process. As for the contents of the Trust Deed, the creditor is welcome to come to the Company or the trustee’s premises to inquire during the prescribed business hours.
13. Principal and Interest Repayment Agency: The Company entrusts the Zhongshan Road Branch of Taiwan Cooperative Bank to handle matters relating to the repayment of principal and interest. The Bank also allocates the principal and interest based on the information of bond owners provided by Taiwan Depository & Clearing Corporation. The principal and interest payment agency then prepares a withholding voucher and send it to the bond owner.
14. Notification Method: Matters concerning notifying creditors of the Company’s bonds, unless otherwise prescribed by laws and regulations, will be announced on the MOPS (<http://mops.twse.com.tw>) or are handled in accordance with regulations promulgated by Taiwan Depository & Clearing Corporation.
15. Bond Form: The Company’s bonds are issued in scripless form and registered with the Taiwan Depository & Clearing Corporation.
16. All bonds recovered (including those bought back from the secondary market) or repaid by the Company shall be cancelled immediately; they shall not be sold or reissued.
17. Sales Target: Only for professional investors as defined in the “Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds”.

Issuer: Radium Life Tech Co., Ltd.
Person in Charge: Lin Rong Shian
November 23, 2017

Radium Life Tech Co., Ltd.
The First Secured Ordinary Corporate Bonds Issued in 2019

1. Name of Bonds: The First Secured Ordinary Corporate Bonds (hereinafter referred to as the “Company’s bonds”) Issued in 2019 by Radium Life Tech Co., Ltd.
2. Total Amount: NT\$1 billion.
3. Par Value: NT\$1,000,000.
4. Issue Price: The bonds were issued at full par value on the issue date.
5. Period: 5 years from July 1, 2019 to July 1, 2024.
6. Coupon Rate: Fixed annual rate at 0.8%
7. Principal Repayment: In one lump sum at the end of 5 years from the issue date.
8. Interest Calculation and Payment Method: Interest is calculated yearly from the issue date accordance to the coupon rate. Interest is paid on each NT\$1 million bond up to the dollar, rounded to the nearest dollar. If the principal and interest repayment date of the Company's bonds falls on a day when the bank in the place of payment is closed, the principal and interest shall be paid on the next working day, and no additional interest shall be paid. No interest will be paid if the principal and interest are received past due date.
9. Guarantee: The Company's bonds are guaranteed by Taiwan Cooperative Bank in accordance with the Appointment Agreement.
10. Underwriting Method: The underwriting is entrusted to the securities dealer to the public in the form of negotiation and sale.
11. Underwriting or Distribution Institution: Taiwan Cooperative Securities.
12. Trustee: Yuanta Commercial Bank Co., Ltd. is the creditor’s trustee for the bonds of the Company. The creditor exercises the right and responsibility to check and supervise the Company's performance of the Company’s bond issuance, and has entered into a trust deed. All creditors holding the Company’s bonds, regardless of whether they are subscribed at the time of issuance of purchased later, shall agree to acknowledge the rights and obligations of the Trust Deed entered between the Company and the trustee. The trustee is granted full power of attorney which cannot be revoked in the middle of the process. As for the contents of the Trust Deed, the creditor is welcome to come to the Company or the trustee’s premises to inquire during the prescribed business hours.
13. Principal and Interest Repayment Agency: The Company entrusts the Sales Department of Taiwan Cooperative Bank to handle matters relating to the repayment of principal and interest. The Bank also allocates the principal and interest based on the information of bond owners provided by Taiwan Depository & Clearing Corporation. The principal and interest payment agency then prepares a withholding voucher and send it to the bond owner.
14. Notification Method: Matters concerning notifying creditors of the Company’s bonds, unless otherwise prescribed by laws and regulations, will be announced on the MOPS (<http://mops.twse.com.tw>) or are handled in accordance with regulations promulgated by Taiwan Depository & Clearing Corporation.
15. Bond Form: The Company’s bonds are issued in scripless form and registered with the Taiwan Depository & Clearing Corporation.
16. All bonds recovered (including those bought back from the secondary market) or repaid by the Company shall be cancelled immediately; they shall not be sold or reissued.
17. Sales Target: Only for professional investors as defined in the “Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds”.

Issuer: Radium Life Tech Co., Ltd.
Person in Charge: Lin Rong Shian
July 1, 2019

Radium Life Tech Co., Ltd.
The First Secured Ordinary Corporate Bonds Issued in 2020

1. Name of Bonds: The First Secured Ordinary Corporate Bonds (hereinafter referred to as the “Company’s bonds”) Issued in 2020 by Radium Life Tech Co., Ltd.
2. Total Amount: NT\$1 billion.
3. Par Value: NT\$1,000,000.
4. Issue Price: The bonds were issued at full par value on the issue date.
5. Period: 5 years from June 1, 2020 to June 1, 2025.
6. Coupon Rate: Fixed annual rate at 0.68%
7. Principal Repayment: In one lump sum at the end of 5 years from the issue date.
8. Interest Calculation and Payment Method: Interest is calculated yearly from the issue date accordance to the coupon rate. Interest is paid on each NT\$1 million bond up to the dollar, rounded to the nearest dollar. If the principal and interest repayment date of the Company's bonds falls on a day when the bank in the place of payment is closed, the principal and interest shall be paid on the next working day, and no additional interest shall be paid. No interest will be paid if the principal and interest are received past due date.
9. Guarantee: The Company's bonds are guaranteed by First Bank in accordance with the Appointment Agreement.
10. Bond Form: The Company’s bonds are issued in scripless form and registered with the Taiwan Depository & Clearing Corporation.
11. Trustee: Land Bank of Taiwan is the creditor’s trustee for the bonds of the Company. The creditor exercises the right and responsibility to check and supervise the Company's performance of the Company’s bond issuance, and has entered into a trust deed. All creditors holding the Company’s bonds, regardless of whether they are subscribed at the time of issuance or purchased later, shall agree to acknowledge the rights and obligations of the Trust Deed entered. The trustee is granted full power of attorney which cannot be revoked in the middle of the process. As for the contents of the Trust Deed, the creditor is welcome to come to the Company or the trustee’s premises to inquire during the prescribed business hours.
12. Principal and Interest Repayment Agency: The Company entrusts the Dunhua Branch of First Bank to handle matters relating to the repayment of principal and interest. The Bank also allocates the principal and interest based on the information of bond owners provided by Taiwan Depository & Clearing Corporation. The principal and interest payment agency then prepares a withholding voucher and send it to the bond owner.
13. Underwriting Method: The underwriting is entrusted to the securities underwriter to the public in the form of negotiation and sale
14. Underwriting Institution: First Securities Inc.
15. Notification Method: Matters concerning notifying creditors of the Company’s bonds, unless otherwise prescribed by laws and regulations, will be announced on the MOPS (<http://mops.twse.com.tw>).
16. Sales Target: Only for professional investors as defined in the “Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds”.

Issuer: Radium Life Tech Co., Ltd.
Person in Charge: Lin Rong Shian
June 1, 2020

Radium Life Tech Co., Ltd.

The second Secured Ordinary Corporate Bonds Issued in 2020

1. Name of Bonds: The second Secured Ordinary Corporate Bonds (hereinafter referred to as the “Company’s bonds”) Issued in 2020 by Radium Life Tech Co., Ltd.
2. Total Amount: NT\$1 billion.
3. Par Value: NT\$1,000,000.
4. Issue Price: The bonds were issued at full par value on the issue date.
5. Period: 5 years from July 1, 2020 to July 1, 2025.
6. Coupon Rate: Fixed annual rate at 0.65%
7. Principal Repayment: In one lump sum at the end of 5 years from the issue date.
8. Interest Calculation and Payment Method: Interest is calculated yearly from the issue date accordance to the coupon rate. Interest is paid on each NT\$1 million bond up to the dollar, rounded to the nearest dollar. If the principal and interest repayment date of the Company's bonds falls on a day when the bank in the place of payment is closed, the principal and interest shall be paid on the next working day, and no additional interest shall be paid. No interest will be paid if the principal and interest are received past due date.
9. Guarantee: The Company's bonds are guaranteed by First Bank in accordance with the Appointment Agreement.
10. Bond Form: The Company’s bonds are issued in scripless form and registered with the Taiwan Depository & Clearing Corporation.
11. Trustee: Land Bank of Taiwan is the creditor’s trustee for the bonds of the Company. The creditor exercises the right and responsibility to check and supervise the Company's performance of the Company’s bond issuance, and has entered into a trust deed. All creditors holding the Company’s bonds, regardless of whether they are subscribed at the time of issuance or purchased later, shall agree to acknowledge the rights and obligations of the Trust Deed entered. The trustee is granted full power of attorney which cannot be revoked in the middle of the process. As for the contents of the Trust Deed, the creditor is welcome to come to the Company or the trustee’s premises to inquire during the prescribed business hours.
12. Principal and Interest Repayment Agency: The Company entrusts the Dunhua Branch of First Bank to handle matters relating to the repayment of principal and interest. The Bank also allocates the principal and interest based on the information of bond owners provided by Taiwan Depository & Clearing Corporation. The principal and interest payment agency then prepares a withholding voucher and send it to the bond owner.
13. Underwriting Method: The underwriting is entrusted to the securities underwriter to the public in the form of negotiation and sale
14. Underwriting Institution: First Securities Inc.
15. Notification Method: Matters concerning notifying creditors of the Company’s bonds, unless otherwise prescribed by laws and regulations, will be announced on the MOPS (<http://mops.twse.com.tw>).
16. Sales Target: Only for professional investors as defined in the “Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds”.

Issuer: Radium Life Tech Co., Ltd.
Person in Charge: Lin Rong Shian
July 1, 2020

Radium Life Tech Co., Ltd.

The Third Secured Ordinary Corporate Bonds Issued in 2020

1. Name of Bonds: The Third Secured Ordinary Corporate Bonds (hereinafter referred to as the “Company’s bonds”) Issued in 2020 by Radium Life Tech Co., Ltd.
2. Total Amount: NT\$1 billion.
3. Par Value: NT\$1,000,000.
4. Issue Price: The bonds were issued at full par value on the issue date.
5. Period: 5 years from December 29, 2020 to December 29, 2025.
6. Coupon Rate: Fixed annual rate at 0.55%
7. Principal Repayment: In one lump sum at the end of 5 years from the issue date.
8. Interest Calculation and Payment Method: Interest is calculated yearly from the issue date accordance to the coupon rate. Interest is paid on each NT\$1 million bond up to the dollar, rounded to the nearest dollar. If the principal and interest repayment date of the Company's bonds falls on a day when the bank in the place of payment is closed, the principal and interest shall be paid on the next working day, and no additional interest shall be paid. No interest will be paid if the principal and interest are received past due date.
9. Guarantee: The Company's bonds are guaranteed by Taiwan Business Bank in accordance with the Appointment Agreement.
10. Underwriting Method: The underwriting is entrusted to the securities dealer to the public in the form of negotiation and sale.
11. Underwriting or Distribution Institution: Taiwan Cooperative Securities.
12. Trustee: Land Bank of Taiwan, Ltd. is the creditor’s trustee for the bonds of the Company. The creditor exercises the right and responsibility to check and supervise the Company's performance of the Company’s bond issuance, and has entered into a trust deed. All creditors holding the Company’s bonds, regardless of whether they are subscribed at the time of issuance or purchased later, shall agree to acknowledge the rights and obligations of the Trust Deed entered between the Company and the trustee. The trustee is granted full power of attorney which cannot be revoked in the middle of the process. As for the contents of the Trust Deed, the creditor is welcome to come to the Company or the trustee’s premises to inquire during the prescribed business hours.
13. Principal and Interest Repayment Agency: The Company entrusts the Sales Department of Taiwan Business Bank to handle matters relating to the repayment of principal and interest. The Bank also allocates the principal and interest based on the information of bond owners provided by Taiwan Depository & Clearing Corporation. The principal and interest payment agency then prepares a withholding voucher and send it to the bond owner.
14. Notification Method: Matters concerning notifying creditors of the Company’s bonds, unless otherwise prescribed by laws and regulations, will be announced on the MOPS (<http://mops.twse.com.tw>) or are handled in accordance with regulations promulgated by Taiwan Depository & Clearing Corporation.
15. Bond Form: The Company’s bonds are issued in scripless form and registered with the Taiwan Depository & Clearing Corporation.
16. Sales Target: Only for professional investors as defined in the “Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds”.

Issuer: Radium Life Tech Co., Ltd.
Person in Charge: Lin Rong Shian
December 29, 2020

Radium Life Tech Co., Ltd.
The First Secured Ordinary Corporate Bonds Issued in 2021

1. Name of Bonds: The First Secured Ordinary Corporate Bonds (hereinafter referred to as the “Company’s bonds”) Issued in 2021 by Radium Life Tech Co., Ltd.
2. Total Amount: NT\$500 million.
3. Par Value: NT\$1,000,000.
4. Issue Price: The bonds were issued at full par value on the issue date.
5. Period: 5 years from August 2, 2021 to August 2, 2026.
6. Coupon Rate: Fixed annual rate at 0.61%.
7. Principal Repayment: In one lump sum at the end of 5 years from the issue date.
8. Interest Calculation and Payment Method: Interest is calculated yearly from the issue date accordance to the coupon rate. Interest is paid on each NT\$1 million bond up to the dollar, rounded to the nearest dollar. If the principal and interest repayment date of the Company's bonds falls on a day when the bank in the place of payment is closed, the principal and interest shall be paid on the next working day, and no additional interest shall be paid. No interest will be paid if the principal and interest are received past due date.
9. Guarantee: The Company's bonds are guaranteed by Taiwan Business Bank in accordance with the Appointment Agreement.
10. Underwriting Method: The underwriting is entrusted to the securities dealer to the public in the form of negotiation and sale.
11. Underwriting or Distribution Institution: Taiwan Cooperative Securities.
12. Trustee: Land Bank of Taiwan, Ltd. is the creditor’s trustee for the bonds of the Company. The creditor exercises the right and responsibility to check and supervise the Company's performance of the Company’s bond issuance, and has entered into a trust deed. All creditors holding the Company’s bonds, regardless of whether they are subscribed at the time of issuance or purchased later, shall agree to acknowledge the rights and obligations of the Trust Deed entered between the Company and the trustee. The trustee is granted full power of attorney which cannot be revoked in the middle of the process. As for the contents of the Trust Deed, the creditor is welcome to come to the Company or the trustee’s premises to inquire during the prescribed business hours.
13. Principal and Interest Repayment Agency: The Company entrusts the Sales Department of Taiwan Business Bank to handle matters relating to the repayment of principal and interest. The Bank also allocates the principal and interest based on the information of bond owners provided by Taiwan Depository & Clearing Corporation. The principal and interest payment agency then prepares a withholding voucher and send it to the bond owner.
14. Notification Method: Matters concerning notifying creditors of the Company’s bonds, unless otherwise prescribed by laws and regulations, will be announced on the MOPS (<http://mops.twse.com.tw>) or are handled in accordance with regulations promulgated by Taiwan Depository & Clearing Corporation.
15. Bond Form: The Company’s bonds are issued in scripless form and registered with the Taiwan Depository & Clearing Corporation.
16. Sales Target: Only for professional investors as defined in the “Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds”.

Issuer: Radium Life Tech Co., Ltd.
Person in Charge: Lin Rong Shian
August 2, 2021

Radium Life Tech Co., Ltd. and
Subsidiaries

Consolidated Financial
Statements for the
Years Ended December 31, 2021
and 2020 and Independent
Auditors' Report

Address: 14F, No. 209, Section 1, Civic Boulevard,
Datong District, Taipei City

TEL: (02)77338888

Representation Letter

Considering that the companies to be included in the consolidated financial statements of associates under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises” were the same as those to be included in the consolidated financial statements of the parent and subsidiaries under the International Financial Reporting Standard 10 “Consolidated Financial Statement.”, and the relevant information to be disclosed in the consolidated financial statements of associates has already been disclosed in the consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of associates were prepared separately.

It is hereby certified that the information disclosed herein is true and correct.

Radium Life Tech Co., Ltd.

Rong Shian Lin
Chairman

March 29, 2022

Independent Auditor’s Report

The Board of Directors and Shareholders
Radium Life Tech Co., Ltd.:

Opinion

We have audited the accompanying consolidated balance sheets of Radium Life Tech Co., Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”) as of December 31, 2021 and 2020 and the relevant consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes to the consolidated financial statements, including a summary of significant accounting policies “(collectively referred to as the consolidated financial statements)”.

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, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements for the year ended December 31, 2021 are stated as follows:

Valuation of property inventories

As shown in Note 12 to the consolidated financial statements, as of December 31, 2021, the property in the inventory category of the consolidated balance sheet (including property under development, property to be developed, and buildings and land held for sale) totaled NT\$8,006,605 thousand, accounting for 14% of the consolidated total assets; therefore, it is material. As the allowance for inventory valuation loss of relevant property involves significant judgments on accounting estimates and other important judgments by the management, the relevant details are as described in Note 5 to the consolidated financial statements, so we have listed it as a key audit matter.

The audit procedures performed by us for the valuation of property inventories include:

1. The amount of property under development recognized is NT\$1,346,387 thousand, accounting for about 17% of the total inventories. We have obtained relevant information on the estimated remaining cost of the property under development, and sampled the basis for such estimates; calculated the expected total revenue based on the recent transaction prices near the property under development from a selling price disclosure website, and compared them with the sum of the property under development and the estimated remaining investment costs recognized in the account.
2. The portion of the property to be developed and the buildings and land held for sale recognized is NT\$6,660,218 thousand, which accounts for about 83% of the total inventories, and we have obtained the net realizable value and impairment assessment data calculated by the Group for the above-mentioned property inventories and reviewed whether the assessment results were reasonable.

Other Matters

We have audited and issued an unqualified opinion on the parent company only financial statements of the Company as at and for the years ended December 31, 2021 and 2020.

Responsibilities of the 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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by 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.

Auditor's 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 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. Misstatement 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 the users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgement 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 the management.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, and 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 auditor's 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 disclosure, 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 communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided 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 determined those matters that were of most significance in the audit of consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations 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 Yang, ChingCheng and Fang, Alice.

Yang, ChingCheng

Fang, Alice

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 29, 2022

Notice to Readers

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

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

Radium Life Tech Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
ASSETS				
Current assets				
Cash and cash equivalents (Notes 4 & 6)	\$ 3,453,740	6	\$ 3,565,410	6
Financial assets at fair value through profit or loss - current (Notes 4 & 7)	18,329	-	12,940	-
Financial assets at amortized cost - current (Notes 4, 9, 25 & 33)	1,033,724	2	399,316	1
Contract assets - current (Notes 4, 25 & 28)	87,704	-	58,346	-
Notes receivable, net (Notes 4, 10 & 25)	19,048	-	19,833	-
Trade receivables, net (Notes 4, 10, 25 & 28)	1,117,784	2	440,680	1
Finance lease receivables, net (Notes 4 & 11)	27,282	-	26,469	-
Other receivables (Note 4)	81,549	-	30,365	-
Current tax assets	4,931	-	7,839	-
Inventories (Notes 4, 5, 12, 25 & 33)	8,065,228	14	8,607,636	15
Prepayments	631,100	1	622,714	1
Refundable deposits - current (Note 25)	273,051	1	249,095	1
Other current assets (Notes 14 & 25)	241,802	1	238,493	-
Incremental costs of obtaining contracts(Notes 4, 25 & 28)	40,309	-	47,022	-
Total current assets	<u>15,095,581</u>	<u>27</u>	<u>14,326,158</u>	<u>25</u>
Non-current assets				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 & 8)	57,233	-	58,795	-
Financial assets at amortized cost - non-current (Notes 4, 9 & 33)	1,993,654	4	2,629,129	5
Investments accounted for using equity method (Notes 4 & 15)	13,034	-	10,003	-
Contract assets - non-current (Notes 4 & 28)	639,572	1	964,115	2
Property, plant and equipment (Notes 4, 17, 28 & 33)	9,128,656	16	9,383,154	16
Right-of-use assets (Notes 4, 18 & 33)	905,373	2	940,592	2
Investment properties, net (Notes 4, 19, 28 & 33)	14,544,078	26	15,148,759	27
Intangible assets (Notes 4, 20 & 33)	3,656,170	7	3,433,187	6
Goodwill (Notes 4 & 21)	36,288	-	36,288	-
Deferred tax assets (Notes 4 & 30)	191,822	-	242,488	-
Refundable deposits - non-current	158,016	-	350,179	1
Finance lease receivables - non-current, net (Notes 4 & 11)	20,720	-	76,944	-
Non-current assets - others (Notes 4, 14 & 28)	9,490,025	17	9,194,005	16
Total non-current assets	<u>40,834,641</u>	<u>73</u>	<u>42,467,638</u>	<u>75</u>
TOTAL	<u>\$ 55,930,222</u>	<u>100</u>	<u>\$ 56,793,796</u>	<u>100</u>
LIABILITIES AND EQUITY				
Current liabilities				
Short-term borrowings (Notes 22, 25 & 33)	\$ 3,726,877	7	\$ 4,334,782	8
Short-term bills payable (Notes 22, 25 & 33)	1,783,596	3	259,324	-
Contract liabilities - current (Notes 4, 25, 28 & 32)	564,211	1	410,273	1
Notes payable	3,328	-	8,341	-
Trade payables	2,245,332	4	2,231,271	4
Other payables	1,823,792	3	1,980,007	3
Current tax liabilities	108,431	-	42,970	-
Lease liabilities - current (Notes 4, 18 & 32)	195,131	-	198,659	-
Current portion of bonds payable (Notes 23 & 33)	1,500,000	3	-	-
Current portion of long-term borrowings (Notes 22, 25 & 33)	7,255,174	13	2,196,987	4
Other current liabilities (Note 25)	395,810	1	286,842	1
Total current liabilities	<u>19,601,682</u>	<u>35</u>	<u>11,949,456</u>	<u>21</u>
Non-current liabilities				
Bonds payable (Notes 23 & 33)	4,500,000	8	5,500,000	10
Long-term borrowings (Notes 22 & 33)	16,809,968	30	23,615,129	42
Provisions - non-current (Notes 4 & 24)	308,900	1	309,956	-
Deferred income tax liabilities - land value increment tax	18,937	-	18,937	-
Deferred income tax liabilities - income tax (Notes 4 & 30)	768,191	1	712,161	1
Lease liabilities - non-current (Notes 4, 18 & 32)	2,018,520	4	2,191,691	4
Net defined benefit liabilities - non-current (Notes 4 and 26)	13,666	-	15,512	-
Guarantee deposits received	235,785	-	237,379	-
Other non-current liabilities	6,500	-	6,000	-
Total non-current liabilities	<u>24,680,467</u>	<u>44</u>	<u>32,606,765</u>	<u>57</u>
Total liabilities	<u>44,282,149</u>	<u>79</u>	<u>44,556,221</u>	<u>78</u>
Total equity attributable to owners of the Company (Note 27)				
Share capital				
Ordinary shares	9,000,946	16	9,000,946	16
Capital surplus	1,307,843	2	1,307,843	2
Retained earnings				
Legal reserve	282,922	1	220,659	1
Special reserve	1,389	-	3,334	-
Unappropriated earnings	613,530	1	1,170,269	2
Total retained earnings	897,841	2	1,394,262	3
Total other equity	(1,545)	-	86	-
Treasury shares	(38,752)	-	-	-
Total equity attributable to owners of the Company	11,166,333	20	11,703,137	21
Non-controlling interests	481,740	1	534,438	1
Total equity	<u>11,648,073</u>	<u>21</u>	<u>12,237,575</u>	<u>22</u>
TOTAL	<u>\$ 55,930,222</u>	<u>100</u>	<u>\$ 56,793,796</u>	<u>100</u>

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

Radium Life Tech Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
TOTAL OPERATING REVENUE (Notes 4, 28 & 32)	\$ 6,259,097	100	\$ 6,772,332	100
TOTAL OPERATING COSTS (Notes 12 & 29)	(4,100,370)	(66)	(4,063,448)	(60)
GROSS PROFIT	<u>2,158,727</u>	<u>34</u>	<u>2,708,884</u>	<u>40</u>
OPERATING EXPENSES (Note 10, 29 & 32)				
Selling and marketing expenses	(573,471)	(9)	(689,473)	(10)
General and administrative expenses	(1,366,801)	(22)	(1,556,318)	(23)
Research and development expenses	(2,512)	-	(9,509)	-
Expected credit impairment loss	(377)	-	(1,084)	-
Total operating expenses	(<u>1,943,161</u>)	(<u>31</u>)	(<u>2,256,384</u>)	(<u>33</u>)
OPERATING INCOME	<u>215,566</u>	<u>3</u>	<u>452,500</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES (Notes 15, 29 & 32)				
Interest income	617,970	10	508,728	7
Other income	217,700	3	850,541	13
Other gains and losses	(15,946)	-	(48,446)	(1)
Finance costs	(758,573)	(12)	(765,227)	(11)
Share of profit or loss on associates and joint ventures accounted for using equity method	<u>3,214</u>	<u>-</u>	<u>3,562</u>	<u>-</u>
Total non-operating income and expenses	<u>64,365</u>	<u>1</u>	<u>549,158</u>	<u>8</u>

(Continued)

	2021		2020	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	\$ 279,931	4	\$ 1,001,658	15
INCOME TAX EXPENSE (Notes 4 & 30)	(216,881)	(3)	(334,373)	(5)
NET PROFIT FOR THE YEAR	<u>63,050</u>	<u>1</u>	<u>667,285</u>	<u>10</u>
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	1,294	-	(62)	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(1,562)	-	3,479	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating the financial statements of foreign operations	<u>42</u>	<u>-</u>	<u>55</u>	<u>-</u>
Other comprehensive income/(loss) for the year, net of income tax	(<u>226</u>)	<u>-</u>	<u>3,472</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 62,824</u>	<u>1</u>	<u>\$ 670,757</u>	<u>10</u>
NET PROFIT ATTRIBUTABLE TO				
Owners of the Company	\$ 60,343	1	\$ 622,688	9
Non-controlling interests	<u>2,707</u>	<u>-</u>	<u>44,597</u>	<u>1</u>
	<u>\$ 63,050</u>	<u>1</u>	<u>\$ 667,285</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the Company	\$ 60,006	1	\$ 626,046	9
Non-controlling interests	<u>2,818</u>	<u>-</u>	<u>44,711</u>	<u>1</u>
	<u>\$ 62,824</u>	<u>1</u>	<u>\$ 670,757</u>	<u>10</u>
EARNINGS PER SHARE (Note 31)				
Basic	<u>\$ 0.07</u>		<u>\$ 0.69</u>	
Diluted	<u>\$ 0.07</u>		<u>\$ 0.69</u>	

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

Radium Life Tech Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Total equity attributable to owners of the Company										
	Share Capital			Retained Earnings			Other Equity				
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain/(loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2020	\$ 9,123,076	\$ 1,299,873	\$ 179,986	\$ 4,360	\$ 1,134,675	(\$ 1,444)	(\$ 1,890)	\$ -	\$ 11,738,636	\$ 545,155	\$ 12,283,791
Appropriation of 2019 earnings	-	-	-	-	(40,673)	-	-	-	-	-	-
Legal reserve appropriated	-	-	40,673	-	(40,673)	-	-	-	-	-	-
Cash dividends distributed by the company	-	-	-	-	(547,385)	-	-	-	(547,385)	-	(547,385)
Reversal of special reserve	-	-	-	(1,026)	1,026	-	-	-	-	-	-
Net income in 2020	-	-	-	-	622,688	-	-	-	622,688	44,597	667,285
Other comprehensive income in 2020, net of income tax	-	-	-	-	(62)	55	3,365	-	3,358	114	3,472
Total comprehensive income in 2020	-	-	-	-	622,626	55	3,365	-	626,046	44,711	670,757
Buy-back of ordinary shares	-	-	-	-	-	-	-	(114,160)	(114,160)	-	(114,160)
Retirement of treasury share	(122,130)	-	-	-	-	-	-	114,160	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	(55,428)	(55,428)
BALANCE AT DECEMBER 31, 2020	9,000,946	1,307,843	220,659	3,354	1,170,269	(1,389)	1,475	-	11,703,137	534,438	12,237,575
Appropriation of 2020 earnings	-	-	-	-	(62,263)	-	-	-	-	-	-
Legal reserve appropriated	-	-	62,263	-	(62,263)	-	-	-	-	-	-
Cash dividends distributed by the company	-	-	-	-	(558,058)	-	-	-	(558,058)	-	(558,058)
Reversal of special reserve	-	-	-	(1,945)	1,945	-	-	-	-	-	-
Net income in 2021	-	-	-	-	60,343	-	-	-	60,343	2,707	63,050
Other comprehensive income in 2021, net of income tax	-	-	-	-	1,294	42	(1,673)	-	337	111	(226)
Total comprehensive income in 2021	-	-	-	-	61,637	42	(1,673)	-	60,006	2,818	62,824
Buy-back of ordinary shares	-	-	-	-	-	-	-	(38,752)	(38,752)	-	(38,752)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(822)	(822)
Non-controlling interests	-	-	-	-	-	-	-	-	-	(54,694)	(54,694)
BALANCE AT DECEMBER 31, 2021	9,000,946	1,307,843	282,922	1,389	613,530	(1,347)	(198)	(38,752)	11,166,333	481,740	11,648,073

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

Radium Life Tech Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 279,931	\$ 1,001,658
Adjustments for:		
Depreciation expenses	904,028	938,314
Amortization expenses	133,563	119,395
Expected credit loss recognized on receivables	377	1,084
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	674	(144)
Interest expenses	758,573	765,227
Interest income	(617,970)	(508,728)
Share of profit or loss on associates and joint ventures accounted for using equity method	(3,214)	(3,562)
Loss (gain) on disposals of property, plant and equipment	(3)	2,163
Losses on disposals of intangible assets	762	-
Gains on disposals of investments	(12)	-
Reversal of impairment loss on non-financial assets	(31,290)	(12,352)
Other non-cash items	36,511	49,603
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(6,051)	(3,001)
Contract assets	(987,599)	(1,703,276)
Notes receivable	785	(1,081)
Trade receivables	94,618	418,290
Other receivables	(50,121)	(2,650)
Inventories	820,392	922,969
Prepayments	(8,708)	(124,589)

(Continued)

	2021	2020
Other current assets	(\$ 3,309)	\$ 132,818
Incremental costs of obtaining contracts	6,713	(47,022)
Other operating assets	488,160	(2,635)
Contract liabilities	153,938	(397,458)
Notes payable	(5,013)	5,886
Trade payables	14,061	(735,605)
Other payables	(129,732)	(37,622)
Other current liabilities	102,524	(55,454)
Other operating liabilities	(<u>556</u>)	(<u>824</u>)
Cash generated from operations	1,952,032	721,404
Interest received	5,809	10,223
Interest paid	(754,382)	(766,295)
Income tax paid	(<u>41,816</u>)	(<u>169,885</u>)
Net cash generated from (used in) operating activities	<u>1,161,643</u>	(<u>204,553</u>)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	981
Purchase of financial assets at amortized cost	-	(732,185)
Proceeds from sale of financial assets at amortized cost	1,067	-
Net cash inflow on disposal of subsidiaries	(822)	-
Payments for property, plant and equipment	(35,940)	(218,311)
Proceeds from disposal of property, plant and equipment	96	4,225
Increase in refundable deposits	168,207	111,739
Payments for intangible assets	(19,705)	(22,395)
Payments for investment properties	(247,342)	-
Decrease in finance lease receivables	22,686	21,785
Dividends received from associates	<u>183</u>	<u>-</u>
Net cash generated from (used in) investing activities	(<u>111,570</u>)	(<u>834,161</u>)

(Continued)

	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ -	\$ 899,729
Repayments of short-term borrowings	(607,905)	-
Proceeds from short-term bills payable	1,524,272	-
Repayments of short-term bills payable	-	(2,857,100)
Proceeds from issuance of bonds	500,000	3,000,000
Proceeds from long-term borrowings	-	893,830
Repayments of long-term borrowings	(1,777,648)	-
Proceeds from guarantee deposits received	4,850	45,351
Repayment of the principal portion of lease liabilities	(153,850)	(164,580)
Dividends paid to owners of the Company	(558,058)	(547,385)
Payments for transaction costs attributable to treasury shares	(38,752)	(114,160)
Change in non-controlling interests	(<u>54,694</u>)	(<u>55,428</u>)
Net cash generated from (used in) financing activities	(<u>1,161,785</u>)	<u>1,100,257</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>42</u>	<u>55</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(111,670)	61,598
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,565,410</u>	<u>3,503,812</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,453,740</u>	<u>\$ 3,565,410</u>

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

Radium Life Tech Co., Ltd. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED December 31 2021 and 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Organization and Operations

Radium Life Tech Co., Ltd. (the “Company”) was incorporated in the Republic of China on March 26, 1982, its main business includes:

- (I) Commissioning construction companies to build public housing projects and commercial buildings for rental and sale.
- (II) Commissioned by the industrial competent authorities of the government to engage in development, lease, sale, and management of industrial zones.

Please refer to Note 13 for the main business activities of the subsidiaries of the Group. The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since December 2000.

The consolidated financial statements are presented in New Taiwan Dollar, the Company’s functional currency.

2. Date and Procedures for Approval of the Financial Report

The consolidated financial statements were approved by the board of directors on March 29, 2022.

3. Application of Newly Issued and Amended Standards and Interpretations

- (I) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Except for the following, the application of the amendments to the IFRSs endorsed and issued into effect by the FSC will not have a material impact on the Group’s accounting policies:

Amendment to IFRS 16 “COVID-19-Related Rent Concessions beyond 30 June 2021”

The Group elected to apply the amendment that extends the availability of the practical expedient to lease payments due on or before June 30, 2022. Refer to Note 4 for the relevant accounting policies of the practical expedient.

- (II) The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2022

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
“Improvements to IFRSs 2018-2020”	January 1, 2022 (Note 1)
Amendment to IFRS 3 - “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “ Onerous Contracts - Cost of Fulfilling a Contract	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting period beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoption of IFRSs” will be applied retrospectively for annual reporting period beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combination for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

(III) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17 “Initial Application of IFRS 9 and IFRS 17—Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendment to IAS 12”Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the new/revised/amended standards and interpretations above are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendment will be applied prospectively for annual reporting period beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

(I) Statement of compliance

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

(II) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments measured at fair value, and net defined benefit liabilities, which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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

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

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the reporting period; and
3. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
3. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 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.

Assets and liabilities that are not classified as current are classified as non-current.

As the Group is engaged in construction projects and commissioning of construction companies to build buildings or plants for sale, its operating cycle is longer than one year. Therefore, the assets and liabilities related to construction, building, and sales projects are classified with the operating cycle as the standard for current and non-current.

(IV) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisition up to the effective dates of disposal. The financial statements of subsidiaries have been adjusted to ensure consistency between their accounting policies and the Group's. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests have been adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13 and Tables 8 and 9 for the detailed information on subsidiaries (including the percentage of ownership and main business).

(V) Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (i.e. foreign

currencies) are recognized at the rates of exchange prevailing on the transaction dates.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing on that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

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

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

When the consolidated financial statements are prepared, the assets and liabilities of the Company's foreign operations (including subsidiaries or associates that operate in countries or adopt the functional currencies different from the Company) are translated into New Taiwan dollar at the rates of exchange prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency exchange differences are recognized in other comprehensive income and attributed to the owners of the Company and non-controlling interests.

Where the Group disposes of all the equity of a foreign operation, or disposes of part of the equity of the foreign operation's subsidiary and loses control over it, or the retained interests after disposal of the foreign operation's joint arrangements or associates are a financial asset and treated based on the accounting policies applicable to financial instruments, all accumulated exchange differences attributable to the owners of the Company and related to the foreign operation will be reclassified to profit or loss.

Where the partial disposal of a subsidiary of a foreign operation does not result in the loss of control, the accumulated exchange differences are re-attributed to the subsidiary's non-controlling interests in proportion, and are not recognized in profit or loss. In the case of any other partial disposal of a foreign operation, the

accumulated exchange differences will be reclassified to profit or loss in proportion to the disposal.

(VI) Inventories

Inventories include property under development, property to be developed, buildings and land held for sale, merchandise inventory, raw materials, finished goods, and work in progress. The value of inventories is determined based on the cost or net realizable value, whichever is lower. The comparison of the cost and net realizable value is based on individual items except for inventories of the same category. The net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The actual construction cost of the property inventories is reclassified to the annual operating costs in line with the recognition principle of property sales revenue. The cost of inventories is calculated using the weighted average method.

For a contract where a land owner provides land for construction of buildings by a property developer in exchange for a certain percentage of the buildings, no exchange gains or loss is recognized if the buildings acquired are classified as properties held for sale. Revenue is recognized when the properties held for sale are sold to third parties.

(VII) Investments in associates

An associate is an entity on which the Group has significant influence and is not a subsidiary or a joint venture.

The Group adopts the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates based on the percentage of ownership.

The amount of the acquisition cost in excess of the Group's share of the net fair value of the identifiable assets and liabilities of an associate acquired at the date of acquisition is classified as goodwill, which is included in the carrying amount of the investment and cannot be amortized; the amount by which the Group's share of the net fair value of the identifiable assets and liabilities of the associate acquired at the

acquisition date exceeds the acquisition cost is recognized in the current profit or loss.

Where an associate issues new shares, if the Group fails to subscribe in proportion to its percentage of ownership, which causes a change in the percentage of its ownership and thus the net equity value of the investment increases or decreases, the capital surplus—changes in the net value of equity of the associate under the equity method and investments accounted for using equity method shall be adjusted according to the increase or decrease. However, if the Group fails to subscribe for or acquire the shares in proportion to its percentage of ownership, which results in a decrease in its ownership interests of the associate, the amount recognized in other comprehensive income related to the associate is reclassified in proportion to the decrease, and the basis of the accounting treatment is the same as the basis that associate must adopt if it directly disposes of relevant assets or liabilities. If the adjustment in the preceding paragraph shall be debited to the capital surplus, and the balance of the capital surplus generated from the investment under the equity method is insufficient, the difference is debited to the retained earnings.

When the Group's share of losses on an associate equals or exceeds its interest in the associate (including any carrying amount of the investment accounted for using the equity method and other long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of said associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized only to the extent that the recoverable amount of the investment subsequently increases.

The Group ceases to adopt the equity method on the day its investment ceases to be an associate, and its retained interests in the original associate is measured at fair value. The difference between the fair value, the price of disposal, and the carrying amount of the investment on the day the equity method ceases to be adopted is recognized in the current profit or loss. In addition, the basis of accounting treatment

for all amounts recognized in other comprehensive income related to the associate is the same as the one that the associate must follow if it directly disposes of the relevant assets or liabilities.

Profit or loss on upstream, downstream, or lateral transactions between the Group and its associates is recognized in the consolidated financial statements only to the extent that it does not affect the Group's interests in the associates.

(VIII) Joint operation

A joint operation is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

Any acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business should be treated as a business combination, except when the parties sharing joint control are under the common control of the same ultimate controlling party or parties both before and after the acquisition and that control is not transitory.

The Group recognizes the following items in relation to its interest in a joint operation:

1. Its assets, including the share of any assets held jointly.
2. Its liabilities, including the share of any liabilities incurred jointly.
3. Its revenue from the sale of its share of the output arising from the joint operation.
4. Its share of revenue from sales of the output of the joint operation.
5. Its expenses, including the share of any expenses incurred jointly.

The Group's assets, liabilities, income, and expenses related to the equity of the joint operation are treated in accordance with the applicable standards.

When the Group sells or contributes assets to its joint operation, it recognizes gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation. When the Group purchases assets from its joint operation, it does not recognize its share of the gain or loss until it resells those assets to a third party.

(IX) Property, plant and equipment

Property, plant and equipment are initially recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are recognized at cost less accumulated impairment loss. The cost shall include professional service expenses and the borrowing costs eligible for capitalization. Such assets are classified into appropriate property, plant and equipment categories upon completion and reaching the status of intended use, and the depreciation will begin.

Except for self-owned land, which is not depreciated, each significant component of the remaining property, plant and equipment is depreciated separately on a straight-line basis within their useful lives. The Group conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, and applies the effect of changes in applicable accounting estimates prospectively.

When derecognizing an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in loss or profit.

(X) Investment properties

Investment properties refers to properties held for the purpose of earning rents or capital appreciation or both (including properties and right-of-use assets thereof that meet the definition of investment properties and are in the process of construction). Investment properties also include land held for a currently undetermined future use.

Self-owned investment properties are initially measured at cost (including transaction cost), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

The investment properties acquired through lease are initially measured at cost (including the originally measured amount of the lease liabilities, the lease payments paid before the lease commencement date, the original direct cost, and the estimated cost of restoring the underlying asset, less the lease incentives received), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and the remeasurement of the lease liability is adjusted.

All investment properties are depreciated on a straight-line basis.

Investment properties under construction are recognized at the cost less the accumulated impairment losses. The cost shall include professional service expenses and the borrowing costs eligible for capitalization. Such assets begin to be depreciated when they reach the status of intended use.

Investment properties are reclassified to inventories based on the carrying amount at the time when they are planned to be sold and cease being leased out.

The properties recognized in inventories are reclassified to investment properties based on the carrying amount at the time of establishment of an operating lease for rental.

When investment properties are derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(XI) Goodwill

The cost of goodwill from business combination is the amount of goodwill recognized at the acquisition date, and is subsequently measured at cost less accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated among each cash generating unit or a group of cash generating units (referred to as “CGUs”), which is expected to benefit from the synergies of the combination.

The carrying amount and recoverable amount of the CGUs to which goodwill is allocated will be compared every year (and whenever there is an indication that the unit may be impaired) as impairment testing on the units. If the goodwill allocated to the CGUs is acquired in a business combination during the year, the CGUs shall be tested for impairment before the end of the year. If the recoverable amount of CGUs to which goodwill is allocated is lower than its carrying amount, the impairment loss is first deducted from the carrying amount of the goodwill of said CGUs. Next, the carrying amount of other assets within said CGUs is deducted from the carrying amount of the goodwill of said CGUs in proportion to the carrying amount of each asset. Any impairment loss is recognized in loss in the current year. Impairment loss of goodwill shall not be reversed subsequently.

When disposing of a certain operation within the CGUs to which goodwill is allocated, the amount of goodwill related to the operation disposed of is included in the carrying amount of the operation to determine the gain or loss on the disposal.

(XII) Intangible assets

1. Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized using straight-line method over the useful lives. The Group conducts at least

one annual review at the end of each year to assess the estimated useful life, residual value, and amortization methods, while applying the effects of changes in accounting estimates prospectively. Intangible assets with indefinite useful lives are recognized at cost less accumulated impairment loss.

When the Group has a right to charge for the usage of concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it recognizes this as an intangible asset. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

2. Derecognition

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(XIII) Assets related to contract costs

The sales commission for property sales and the selling service fee paid to agents under exclusive sale agreements of the property held for sale only occur when any customer contract is closed, and the amount is recognized in the incremental cost of obtaining the contract within the recoverable amount and reclassified when the property is completed and transferred to the customer. However, for the incremental cost of obtaining a contract that is expected to be amortized within one year, the Group chose not to capitalize it.

(XIV) Impairment of assets related to property, plant and equipment, right-of-use assets, investment properties, intangible assets (excluding goodwill), and assets related to contract costs

The Group assesses if there are any signs of possible impairment in property, plant, and equipment as well as right-of-use, investment properties, and intangible assets (excluding goodwill) at the end of each reporting period. If there is any sign of impairment, an estimate is made of its recoverable amount. If it is not possible to determine the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of CGUs on a reasonable and consistent basis.

Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

The inventory, property, plant and equipment, and intangible assets related to customer contracts are first recognized as impairment in accordance with the inventory impairment standards and the standards above. Then, the carrying amount of the assets related to contract cost in excess of the expected amount of consideration received for the provision of the relevant goods or services less the direct relevant costs is recognized as an impairment loss. Subsequently, the carrying amount of the assets related to contract cost is included in the CGU to which they belong to perform impairment assessment of the CGU.

When the impairment loss is subsequently reversed, the carrying amount of the asset, the CGU, or the asset related to contract cost is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset, CGU, or the asset related to contract cost which was not recognized in impairment loss in prior years. The reversal of the impairment loss is recognized in profit or loss.

(XV) Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Measurement types

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

A. Financial assets at FVTPL

Financial assets measured at FVTPL include those mandatorily measured at FVTPL and those designated as at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instrument that the Group has not designated to measure at FVTOCI, and debt instruments that are not eligible to be classified as measured at amortized cost or at FVTOCI.

Financial assets measured at FVTPL are measured at fair value, and the gains or losses arising from remeasurement are recognized in profit or loss. Please refer to Note 36 for the method of determining the fair value.

B. Financial assets at amortized cost

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

- a. Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets; and
- b. The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

After initial recognition, such assets (including cash and cash equivalents, notes receivable, trade receivables, other receivables measured at amortized cost, and refundable deposits) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss, and any foreign currency exchange gains or losses are recognized in profit or loss.

Except for the following two cases, interest revenue is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

- a. For purchased or originated credit-impaired financial asset, interest revenue is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.
- b. For financial asset that is not purchased or originated credit-impaired but subsequently becomes credit impaired, interest revenue is calculated by multiplying the effective interest rate from the next reporting period after the credit impairment by the amortized cost of the financial asset.

Cash equivalents include time deposits and short-term bills that are highly liquid and readily convertible into a fixed amount of cash at any time within 3 months from the date of acquisition while featuring little risk of value changes, which are used to meet short-term cash commitments

C. Investments in equity instruments at FVTOCI

The Group may, upon initial recognition, make an irrevocable election to designate as at FVTOCI the investments in equity instruments that are not held for trading and the ones that are not recognized by an acquirer in a business combination or with the contingent consideration.

Investments in an equity instrument measured at FVTOCI are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. Upon disposal of investments, cumulative gain or loss is directly transferred to retained earnings and are not reclassified to profit or loss.

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

(2) Impairment of financial assets and contract assets

The Group assesses the impairment loss of financial assets measured at amortized cost (including trade receivables), finance lease receivables, and contract assets based on the expected credit loss at the end of each reporting period.

Trade receivables, finance lease receivables, and contract assets are recognized in loss allowance based on the lifetime expected credit losses (ECLs). Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, a loss allowance is recognized at an amount equal to 12-month ECLs. If the risks have increased significantly, a loss allowance is recognized at an amount equal to lifetime ECLs.

The ECLs refer to the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Group, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

- A. Internal or external information indicates that it is impossible for the debtor to settle the debt.
- B. It is overdue for more than 90 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

The Group recognizes an impairment loss for all financial assets with a corresponding downward adjustment to their carrying amount through a loss allowance account. However, the loss allowance for investment in debt instruments measured at FVTOCI is recognized in other comprehensive income without a downward adjustment to the carrying amount.

(3) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire or when it

transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. When derecognizing an investment in equity instrument at FVTOC in its entirety, the cumulative profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instruments

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

Equity instruments issued by the Group are recognized at the proceeds received, net of the cost of direct issue.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The purchase, sale, issuance, or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost in the effective interest method.

(2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(XVI) Provisions

The amount recognized in provisions (including contractual obligations arising from the maintenance or restoration of infrastructure before it is returned to the grantor, which is specifically stated in a service concession arrangement) is the best estimate of the expenditure required to settle the obligation at the end of the reporting period based on the consideration for the risks and uncertainties of the obligation. The provisions are measured at the discounted value of the cash flow estimated to settle the obligation.

1. Onerous contract

When the unavoidable cost of the Group's expected performance of a contractual obligation exceeds the expected economic benefits arising from the contract, the present obligation arising from the onerous contract is recognized in provisions.

2. Warranties

The warranty obligations to ensure that products conform to the agreed specifications is based on the management's best estimate of the expenditure required to settle the Group's obligation, and is recognized when relevant products are recognized in revenue.

(XVII) Revenue recognition

After the Group identifies its performance obligations in contracts with customers, it allocates the transaction price to each performance obligation in the contracts and recognizes revenue when performance obligations are satisfied.

1. Construction revenue

For the property sales within the normal business scope, the fixed transaction price is received in installments and recognized as a contract liability. After considering the major financial components, revenue is recognized when each property is completed and delivered to the buyer.

During the construction process, the property is a property construction contract controlled by the customer, and the Group gradually recognizes it in revenue over time. As the cost of construction is directly related to the progress of completion of the performance obligation, the Group measures the progress of completion based on the actual investment cost as a percentage of the expected total cost. The Group gradually recognizes contract assets during the construction process, and reclassifies them to trade receivables upon billing. If the construction payment received exceed the amount of revenue recognized, the difference is recognized in contract liability. The retention of a construction project withheld by the customer in accordance with the contract terms aims to ensure that the Group completes all contractual obligations and is recognized in contract asset before the Group's performance is completed.

If the result of the performance obligation cannot be measured reliably, the engineering service revenue is recognized only within the expected

recoverable amount of the cost incurred when the performance obligation is met.

According to the operation concession agreement for the T9 land in the dedicated area of the Taipei Main Station, the Group shall construct and operate the infrastructure in the designated area of the Taipei Main Station. As the land in the designated area of the Taipei Main Station is under control of the Taipei City Government during the construction process, the Group refers to the stand-alone selling price of the construction services provided, and gradually recognizes the revenue and contract assets for the construction services over time, which is reclassified to the intangible assets - concession when the construction is completed. In the operation stage, when the public uses the infrastructure in the T9 land in the designated area of the Taipei Main Station, and the Group makes a profit from it, it is recognized in revenue (under other operating revenue).

According to the operation concession agreement for the Taoyuan City Taoyuan District Sewerage System, the Group shall construct and operate the infrastructure of the Taoyuan City Taoyuan District Sewerage System. As the Taoyuan City Taoyuan District Sewerage System is under control of the Taoyuan City Government during the construction process, the Group refers to the stand-alone selling price of the construction services provided, and gradually recognizes the revenue and contract assets for the construction services over time, which is reclassified to the intangible assets - concession and long-term trade receivables when the construction is completed and certified by the owners. In the operation stage, when the public uses the public work of the Taoyuan City Taoyuan District Sewerage System, and the Group makes a profit from it, it is recognized in revenue (under other operating revenue).

2. Shopping mall revenue

When other party participates providing in goods or services to customers, the Group obtains control of the specified goods or services before they are transferred to the customers and, therefore, is acting as a principal in the transaction. On the contrary, the other party is acting as an agent. As the principal, the total amount of the consideration that is expected to be obtained in exchange for the transfer of goods or services is recognized as income. As an

agent, the amount of any fees or commissions that the other party expected to obtain in exchange for the provision of goods or services, recognized as income. The charge or commission of the Group may be the net amount of the consideration. The income retained by the Group in exchange for goods or services is the amount retained after payment to the other party.

Customer Loyalty Program, the Group offers award credits which can be used for future purchases when the customer shops. The award credits provide a material right to the customer. The transaction price allocated to the award credits is recognized as a contract liability when collected and will be recognized as revenue when the award credits is redeemed or has expired.

3. Hotel service revenue

Revenue of hotel services comes from the operation of the tourist hotel and is recognized upon provision of services.

4. Merchandise sales revenue (recognized in other operating revenue)

Revenue from merchandise sales comes from sales in self-operated stores. Self-operated goods sold in self-operated stores are recognized in revenue when customers purchase the goods.

(XVIII) Leases

The Group assesses whether a contract belongs to (or contains) a lease on the date of establishment of the contract.

1. The Group as lessor

Where almost all the risks and rewards attached to the ownership of an asset are transferred to the lessee in lease terms, such leases are classified as finance leases. All other leases are classified as operating leases.

When the Group subleases the right-of-use assets, the right-of-use assets (not the underlying asset) are used to determine the classification of the sublease. However, if the main lease is a short-term lease for which the recognition exemption applies to the Group, the sublease is classified as an operating lease.

Under finance leases, lease payments include fixed payments, substantive fixed payments, variable lease payments depending on the index or rate, guaranteed residual value, the exercise price of the purchase of options that is reasonably assured to be exercised, and fines for lease termination that has been reflected in the lease term, less lease incentives that shall be paid. The net

lease investment is measured by the sum of the present value of the lease payment receivable and the unguaranteed residual value plus the initial direct cost and presented as financial lease receivable. Finance lease income is allocated to each accounting period to reflect the fixed rate of return on the Group's net investment outstanding in respect of leases.

Under operating leases, lease payments less lease incentives are recognized in income on a straight-line basis over the relevant lease terms. The initial direct cost incurred in obtaining an operating lease is added to the carrying amount of the underlying asset and recognized as expenses on a straight-line basis over the lease term. The lease negotiation with each lessee is handled as a new lease from the effective date of the lease modification.

The variable rent in a lease arrangement that is not dependent on the index or rate is recognized in income in the period in which it is incurred.

2. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of each lease, except for low value asset leases and short-term leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

A right-of-use asset is initially measured at cost (including the initial measured amount of lease liabilities, the amount of lease payments made to the lessor less lease incentives received prior to the inception of a lease, initial direct costs, and the estimated costs of restoring underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment and adjusted for any remeasurement of the lease liabilities. Right-of-use assets, except those that meet the definition of investment properties, are presented on a separate line in the consolidated balance sheets. For the recognition and measurement of right-of-use assets that meet the definition of investment properties, please refer to (X) for the accounting policies for investment properties.

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

The lease liabilities are initially measured at the present value of the lease payment (including fixed payments, in-substance fixed payments, variable lease payments depending on the index or rate, the amount that the lessee expects to pay under the residual value guarantee, the exercise price of the purchase of options that is reasonably assured to be exercised, and fines for lease termination that has been reflected in the lease term, less lease incentives received). If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate applies.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term. If changes in the lease term, the expected payment under the residual value guarantee, the evaluation of the underlying asset purchase options, or the index or rate used to determine the lease payment over the lease term lead to changes in future lease payments, the Group remeasure the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. For lease modifications that are not treated as a separate lease, remeasurement of the lease liabilities due to the reduced scope of the lease is to reduce the right-of-use assets, and to recognize the profit or loss of the partial or full termination of the lease; the remeasurement of the lease liabilities due to other modifications is to adjust the right-of-use assets. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group and the lessor engaged in rent negotiations directly related to the COVID-19 pandemic, and adjusted the rents due before June 30, 2022, resulting in a decrease in the rents or almost equal to the rents before negotiation. These negotiations did not materially change other lease terms. The Group has elected to adopt practical expedients to treat rent negotiations that meet the aforementioned conditions without evaluating whether the negotiation is about a lease modification, and recognizes the reduction in lease payments in profit or loss when a concession event or situation occurs, and makes a corresponding downward adjustment to the lease liabilities.

The variable rent in a lease arrangement that is not dependent on the index or rate is recognized in expenses in the period in which it is incurred.

(XIX) Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of said assets, until such time as the assets are substantially ready for their intended use or sale.

For specific borrowings, if the investment income earned by making a temporary investment before the capital expenditure that meets the requirements is incurred, it is deducted from the borrowing costs that meet the capitalization conditions.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XX) Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods, in which the Group recognizes in expenses the relevant costs for which the grants are intended to compensate.

If government grants are used to compensate expenses or losses incurred, or are given to the Group for the purpose of immediate financial support without relevant future costs, they can be recognized in profit or loss in the period, during which the Group can receive said grants.

(XXI) Employee benefits

1. Short-term employee benefits

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

2. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

The defined benefit cost under the defined benefit retirement benefit plan (including service cost, net interest, and rereasurement) is calculated based on the projected unit credit method. The service cost (including the service costs

for the current period and the past service cost) and the net interest on the net defined benefit liabilities (assets) are recognized in employee benefit expenses as they occur. The remeasurement (including actuarial gains and losses, effect of changes in assets limits, and the return on plan assets, net of interest) is recognized in other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss subsequently.

The net defined benefit liabilities (assets) are the deficit (surplus) of the defined benefit retirement benefit plan. The net defined benefit assets may not exceed the present value of any refunds from the plan or reductions in future contributions to the plan.

(XXII) Income tax

The income tax expense represents the sum of the current income tax and deferred tax.

1. Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction .

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2. Deferred tax

Deferred tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the

end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred tax

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the management is required to make judgments, estimations, and assumptions about the relevant information that is not readily accessible from other sources based on historical experience and other relevant factors. Actual results may differ from these estimates.

The management will constantly review the estimates and basic assumptions. If a revision of an estimate only affects the current period, it shall be recognized in the period in which the revision occurs. If a revision of an accounting estimate affects the current period and future periods, it shall be recognized in the period in which the revision occurs and future periods.

Key Sources of Estimation Uncertainty

Inventories impairment

The net realizable value of inventories is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. These estimates are based on current market conditions and historical sales experience in similar products. Changes in market conditions may materially affect the results of these estimates.

6. Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash	\$ 9,977	\$ 10,184
Checking accounts and demand deposits	3,412,279	3,536,610
Foreign currency deposits	12,856	8,247
Cash equivalents		
Stimulus vouchers	8,648	10,369
Time deposit (with the original maturities of 3 months or less)	9,980	-
	<u>\$ 3,453,740</u>	<u>\$ 3,565,410</u>

7. Financial assets at FVTPL

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Non-derivative financial assets mandatorily at fair value through profit or loss		
Fund beneficiary certificates	<u>\$ 18,329</u>	<u>\$ 12,940</u>

Please refer to Note 29 for the net gains (losses) on financial instruments at FVTPL.

8. Financial assets at FVTOCI

Investments in equity instruments at FVTOCI

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Non-current</u>		
Domestic unlisted shares	<u>\$ 57,233</u>	<u>\$ 58,795</u>

The Group invests in the above-mentioned unlisted stocks for medium- to long-term strategic purposes, and expects to make profits through long-term investments. The Group's management believes that recognizing the short-term fluctuations in the fair value of such investments in profit or loss is not consistent with the aforementioned long-term investment plan. Therefore, the management elected to designate these investments in equity instruments as at FVTOCI.

9. Financial assets at amortized cost

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Domestic investments		
Time deposit with the original maturities date of more than 3 months	\$ 60,000	\$ 82,960
Other financial assets (1)	<u>973,724</u>	<u>316,356</u>
	<u>\$ 1,033,724</u>	<u>\$ 399,316</u>
<u>Non-current</u>		
Domestic investments		
Time deposit with the original maturities date of more than 3 months	\$ 127,243	\$ 141,196
Other financial assets (1)	<u>1,866,411</u>	<u>2,487,933</u>
	<u>\$ 1,993,654</u>	<u>\$ 2,629,129</u>

- (I) Other financial assets are restricted assets, such as reserve accounts for bank deposits and trust account.
- (II) Please refer to Note 33 for information relating to investments in financial assets at amortized cost pledged as security.

10. Notes receivable and trade receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 19,048	\$ 19,833
Less: Loss allowance	<u>-</u>	<u>-</u>
	<u>19,048</u>	<u>19,833</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	1,118,704	441,930
Less: Loss allowance	(<u>920</u>)	(<u>1,250</u>)
	<u>1,117,784</u>	<u>440,680</u>
Total	<u>\$ 1,136,832</u>	<u>\$ 460,513</u>

When determining the recoverability of trade receivables, the Group considers the changes in the credit quality of trade receivables during the period from the original credit date to the time it is presented in the balance sheet. Based on the historical experience, except for the counterparty of a transaction is any government agency, bank credit card center, or security company with great credit quality, in principle, the Group adopts individual evaluation and a simplified approach as in IFRS 9 to recognize loss allowance for trade receivables based on the lifetime expected credit losses. The lifetime expected credit losses are based on each customer's past default history, current financial position, and industrial economic situation, as well as the industry outlook.

Based on the Group's historical experience in credit losses, the loss patterns of different customers are significantly different, the expected credit loss rate is calculated based on the trade receivables of individual customers.

If there is evidence that a counterparty is facing serious financial difficulties and the Group cannot reasonably expect to recover the amount, e.g., the counterparty is in liquidation, the Group will directly write off the relevant trade receivables, but will continue to try to collect the receivable. The recovered amount is recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix:

December 31, 2021

	Not past due	1 to 90 days past due	91 to 180 days past due	Over 180 days past due	Counterparty has a sign of default	Total
Expected credit loss rate	0%	4%	22%	57%	100%	
Gross carrying amount	\$1,135,429	\$ 178	\$ 1,162	\$ 762	\$ 221	\$1,137,752
Loss allowance (lifetime expected credit losses)	-	(8)	(258)	(433)	(221)	(920)
Amortized cost	<u>\$1,135,429</u>	<u>\$ 170</u>	<u>\$ 904</u>	<u>\$ 329</u>	<u>\$ -</u>	<u>\$1,136,832</u>

December 31, 2020

	Not past due	1 to 90 days past due	91 to 180 days past due	Over 180 days past due	Counterparty has a sign of default	Total
Expected credit loss rate	0%	10%	20%	50%	100%	
Gross carrying amount	\$ 459,339	\$ 29	\$ 1,389	\$ 74	\$ 932	\$ 461,763
Loss allowance (lifetime expected credit losses)	-	(3)	(278)	(37)	(932)	(1,250)
Amortized cost	<u>\$ 459,339</u>	<u>\$ 26</u>	<u>\$ 1,111</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 460,513</u>

The movements of the loss allowance of trade receivables were as follows:

	2021	2020
Balance at January 1	\$ 1,250	\$ 2,721
Add: Net remeasurement of loss allowance	53	460
Less: Amounts written off	(383)	(1,931)
Balance at December 31	<u>\$ 920</u>	<u>\$ 1,250</u>

11. Finance lease receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Undiscounted lease payments		
Year 1	\$ 28,003	\$ 28,572
Year 2	20,658	32,338
Year 3	211	23,792
Year 4	-	5,417
Year 5	-	5,274
Year 6 onwards	-	<u>13,525</u>
	<u>48,872</u>	<u>108,918</u>
Less: Unearned finance income	(870)	(5,505)
Lease payments receivable	<u>48,002</u>	<u>103,413</u>
Net investment in leases presented as finance lease receivables	<u>\$ 48,002</u>	<u>\$ 103,413</u>

The Group measures the loss allowance for the finance lease receivables based on the lifetime expected credit losses. As of the end of the reporting period, there were no overdue finance lease receivables. At the same time, considering the past default history of each counterparty, the future development of the underlying lease industry, and the value of the collateral, the Group believed that the finance lease receivables above were not impaired.

12. Inventories

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Property under development	\$ 1,346,387	\$ 1,701,880
Property to be developed	1,349,159	724,831
Buildings and land held for sale	5,311,059	6,103,284
Merchandise inventory	21,816	21,370
Prepayment for land purchases	17,550	28,854
Others	<u>19,257</u>	<u>27,417</u>
	<u>\$ 8,065,228</u>	<u>\$ 8,607,636</u>

Property under development

<u>Project name</u>	<u>Estimated completion year</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Sanzhi Project - East Side	2024	\$ 1,151,786	\$ 856,562
Sanzhi Project - West Side	2025	194,601	-
Qingpu Project	2021	<u>-</u>	<u>845,318</u>
		<u>\$ 1,346,387</u>	<u>\$ 1,701,880</u>

Property to be developed

<u>Project name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Qiao-An	\$ 858,469	\$ 52,918
Beitou District	408,959	408,959
Guisui, Chongqing North Road	41,121	41,121
Qishan District	40,610	40,610
Sanzhi Project - West Side	-	<u>181,223</u>
	<u>\$ 1,349,159</u>	<u>\$ 724,831</u>

Buildings and land held for sale

Project name	December 31, 2021	December 31, 2020
Fu-Jou project	\$ 4,632,671	\$ 4,718,810
MRT Daqiaotou Station Project	384,404	1,245,381
Qingpu Project	184,832	-
Xindian Project	34,937	40,735
Badu Project	9,894	29,773
Youth Social Housing Project	-	4,264
Others	64,321	64,321
	\$ 5,311,059	\$ 6,103,284

- (I) As of December 31, 2021 and 2020, inventories of \$2,713,096 thousand and \$1,610,247 thousand, respectively, are expected to be recovered after more than 12 months.
- (II) The inventories pledged as collateral for bank borrowings are set out in Note 33.
- (III) To enable the construction projects and construction to proceed, the completed construction projects to be delivered, and the development contract to be fulfilled smoothly, the Group's registration of the trust of construction in progress and remaining unsold housing units is as follows:

Project name	Trustee	Trust period
Sanzhi Project – East & West Side	Pauguo Real Estate Management Co., Ltd.	The construction contract started from December 30, 2019, and the project was completed, and the first-time registration of ownership was completed.
T9 Project	KGI Commercial Bank	From September 8, 2006 to the date of expiry or termination of the development and management contract for the T9 land in the dedicated area of the Taipei Main Station, or the date when the trust relationship between both parties is terminated.
Youth Social Housing Project	Mega International Commercial Bank	From September 11, 2014 to the date when the Rih-Siang fully paid off its debts under a syndicated loan contract, or the construction and operation contract is cancelled or terminated.

For the above-mentioned trust contract, the Group entrusts the trustees to execute fund control, property right management, financing loan repayment, self-raising funds, and necessary expenses and expenditures incurred by the trust relationship.

- (IV) Please refer to Note 19 for the information on the reclassification of inventory to investment property due to changes in the purpose of use.
- (V) Total operating costs for 2021 and 2020 included reversal of write-down of inventories of \$4,136 thousand and \$6,652 thousand, respectively. The reversal of the net realizable value of inventories was due to the increase in the selling price of the inventories in the market.

13. Subsidiaries

Subsidiaries included in the consolidated financial statements

The main entities included in the consolidated financial statements are as follows:

Investor Company	Subsidiary name	Nature of activities	Proportion of ownership	
			December 31, 2021	December 31, 2020
RADIUM	Ji-Shun Life Tech Co., Ltd. (Ji-Shun)	Housing and Building Development and Rental	100.00%	100.00%
RADIUM	Li-Jiang Development Co., Ltd. (Li-Jiang)	Housing and Building Development and Rental	100.00%	100.00%
RADIUM	Rih Yao Development Co., Ltd. (Rih-Yao)	Housing and Building Development and Rental	100.00%	100.00%
RADIUM	Radium Far East Co., Ltd. (Far East)	Housing and Building Development and Rental	99.93%	99.93%
RADIUM	Titan Development and Construction Co., Ltd. (Titan)	Civil Construction	100.00%	100.00%
RADIUM	Wan Da Tong Enterprise Co., Ltd. (Wan-Da-Tong)	Development of the T9 Land in the Dedicated Area of the Taipei Main Station	28.35%	28.35%
RADIUM	Radium-Kagaya International Hotel Co., Ltd. (KaGaYa)	Hot Spring Hotel	100.00%	100.00%
RADIUM	Zhao Yao Enterprise Co., Ltd. (Zhao-Yao)	Housing and Building Development and Rental	100.00%	100.00%
RADIUM	Clever Base Investments Limited (Clever Base)	Investment	-	100.00%
RADIUM	Xin Xiu Ge Hotel Co., Ltd. Co., Ltd. (Xin-Xiu-Ge)	Hotel	100.00%	100.00%
RADIUM	Jing-Jan Investment Holdings Co., Ltd. (Jing-Jan Hldg)	Investment	61.06%	61.06%
RADIUM	Rih Siang Property Management Co., Ltd. (Rih-Siang)	Housing and Building Development and Rental	100.00%	100.00%
RADIUM	Rih Zuan Green Energy Technology Co., Ltd. (Rih-Zuan)	Energy Technical Services	90.00%	90.00%
RADIUM	LiJiang Business Consulting(Shanghai). (LiJiang)	Business and Corporate Management Consulting Services	100.00%	100.00%
RADIUM	Rih Ding Circular Economy Investment Holdings Co., Ltd. (Rih-Ding Hldg)	Investment	100.00%	100.00%
RADIUM	Wan Tong Digital Technology Co., Ltd. (Wan-Tong)	Retail	-	90.00%
RADIUM	Jing Ding Green Energy Technology Co., Ltd. (Jing-Ding)	Energy Technical Services	37.00%	37.00%
Titan	Jing-Jan Investment Holdings Co., Ltd. (Jing-Jan Hldg)	Investment	36.80%	36.80%
Ji-Shun	Ji Sheng Zih Chan Development Co., Ltd. (Ji-Sheng)	Housing and Building Development and Rental	100.00%	100.00%
Jing-Jan Hldg	Jing-Jan Retail Business Co., Ltd. (Jing-Jan)	Shopping mall business	75.00%	75.00%
Jing-Jan Hldg	Wan Da Tong Enterprise Co., Ltd. (Wan-Da-Tong)	Development of the T9 land in the dedicated area of the Taipei Main Station	71.65%	71.65%
Jing-Jan Retail	Jing-Jan Digital Square Co., Ltd. (Jing-Jan Digital)	Retail	100.00%	100.00%
Clever Base	Rih Ding Investments Limited (Rih Ding Investments)	Investment	-	100.00%
Far East	Prit Biotech Co., Ltd. (PRIT)	Biotechnology and cosmetic manufacturing	37.31%	37.31%
Rih-Ding Hldg	Rih Ding Water Enterprise Co., Ltd. (Rih-Ding Water)	Investment in and Construction and Operation of Public Works Construction	100.00%	100.00%
Rih-Ding Hldg	Ding Sheng Green Energy Technology Co., Ltd.(Ding-Sheng)	Energy Technical Services	100.00%	100.00%
Ding-Sheng	Jing Ding Green Energy Technology Co., Ltd. (Jing-Ding)	Energy Technical Services	33.00%	33.00%

Note: 1. The Group's shareholding in PRIT is 37.31%. Because the Group's directors account for more than half of PRIT's board members, and have the substantive ability to lead its relevant activities, it is classified as a subsidiary.

2. Rih-Ding Hldg was established on March 5, 2020, and approved by and registered with the Taipei City Government. Jing-Ding was established on September 18, 2020, and approved by and registered with the Central Region Office, Ministry of Economic Affairs.
3. Kai Chuang's deregistration was completed on April 8, 2020; Sharp China Investments's deregistration was completed on April 17, 2020; Rih Ding Investments's deregistration was completed on February 25, 2021; Wan Tong Digital registered for its dissolution on April 26, 2021 and obtained a letter of liquidation letter from the court on January 25, 2022; while Clever Base's deregistration was completed on June 8, 2021.
4. The Company's board of directors resolved to adjust the organizational structure on April 6, 2020. Rih-Ding Hldg issued new shares and obtained 100% of the Company's shares in Rih-Ding Water and Ding-Sheng through share swap arrangements, and the record date of share swap was May 8, 2020.

14. Other assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Long-term receivables (Note)	\$ 9,397,628	\$ 9,089,289
Others	<u>334,199</u>	<u>343,209</u>
	<u>\$ 9,731,827</u>	<u>\$ 9,432,498</u>
Current	\$ 241,802	\$ 238,493
Non-current	<u>9,490,025</u>	<u>9,194,005</u>
	<u>\$ 9,731,827</u>	<u>\$ 9,432,498</u>

Note: With respect to the BOT investment contract entered into between Rih-Ding Water and the government institution, in accordance with IFRS 12, the consideration received by the operator is recognized at fair value. Consideration may result in the recognition of a financial asset or an intangible asset. According to the Service Concession Arrangements, Rih-Ding Water expects to receive the consideration over the term of the agreement and selects the appropriate discount rate to calculate the present value of the consideration received. As of December 31, 2021 and 2020, Rih-Ding Water recognized receivables from the discounted value of the consideration received under the Service Concession Arrangements at each reporting date.

15. Investments accounted for using equity method

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Associates that are not individually material - Unlisted company Jing-Yang Apartment Building Management and Maintenance Co., Ltd.	<u>\$ 13,034</u>	<u>\$ 10,003</u>

The Group's ownership interest and percentage of voting rights in the associates at the end of the reporting period are as follows:

Company name	December 31, 2021	December 31, 2020
Jing-Yang Apartment Building Management and Maintenance Co., Ltd.	49%	49%

Aggregate information of associates that are not individually material:

	2021	2020
The Group's Share of:		
Profit from continuing operations	\$ <u>3,214</u>	\$ <u>3,562</u>
Total comprehensive income for the year	\$ <u>3,214</u>	\$ <u>3,562</u>

The share of profits and losses and other comprehensive income of the associates accounted for using the equity method in 2021 and 2020 were recognized based on the associates' financial statements that have been audited by CPAs for the same periods.

16. Joint operator

- (I) Some of the Titan's projects are under joint contracts, with a joint operation model adopted to jointly form an operating unit and set up accounting records independently. As of December 31, 2021, its joint contractors are as follows:

Fu-Jou JV project

Titan and New Asia Construction & Development Corp. (hereinafter referred to as New Asia) jointly took on the Company's Fu-Jou affordable housing project for the construction at a total contract price of \$19,937,495 thousand (before tax). The ratio of the project in the joint contract between both parties was 30% for Titan and 70% for New Asia, for which both parties signed an agreement accordingly.

- (II) The aggregate financial information on the joint operations recognized by the Group using the proportionate consolidation method is as follows:

	December 31, 2021	December 31, 2020
Current Assets	\$ <u>277,603</u>	\$ <u>282,465</u>
Current Liabilities	\$ <u>3,885</u>	\$ <u>23,744</u>
	<u>2021</u>	<u>2020</u>
Net income	\$ <u>14,996</u>	\$ <u>28,986</u>

17. Property, plant and equipment

(I) Assets used by the Group

	Land	Buildings	Transportation Equipment	Office Equipment	Other Equipment	Property under construction	Total
<u>Cost</u>							
Balance at January 1, 2021	\$ 3,336,819	\$ 8,098,173	\$ 9,775	\$ 303,209	\$ 321,364	\$ 14,597	\$12,083,937
Additions	-	13,649	-	9,215	13,076	-	35,940
Disposals	-	-	(561)	(1,791)	(4,007)	-	(6,359)
Transfers	-	14,597	-	-	-	(14,597)	-
Transfers from other assets	-	-	-	-	322	-	322
Transfers to operating expenses	-	-	-	-	(1,455)	-	(1,455)
Balance at December 31, 2021	<u>\$ 3,336,819</u>	<u>\$ 8,126,419</u>	<u>\$ 9,214</u>	<u>\$ 310,633</u>	<u>\$ 329,300</u>	<u>\$ -</u>	<u>\$12,112,385</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2021	\$ 19,927	\$ 2,347,537	\$ 8,952	\$ 239,315	\$ 188,080	\$ -	\$ 2,803,811
Depreciation expenses	-	249,995	430	17,839	14,917	-	283,181
Disposals	-	-	(561)	(1,737)	(3,968)	-	(6,266)
Balance at December 31, 2021	<u>\$ 19,927</u>	<u>\$ 2,597,532</u>	<u>\$ 8,821</u>	<u>\$ 255,417</u>	<u>\$ 199,029</u>	<u>\$ -</u>	<u>\$ 3,080,726</u>
Net at December 31, 2021	<u>\$ 3,316,892</u>	<u>\$ 5,528,887</u>	<u>\$ 393</u>	<u>\$ 55,216</u>	<u>\$ 130,271</u>	<u>\$ -</u>	<u>\$ 9,031,659</u>
<u>Cost</u>							
Balance at January 1, 2020	\$ 3,285,878	\$ 7,862,127	\$ 11,038	\$ 294,746	\$ 290,694	\$ 69,003	\$11,813,486
Additions	-	172,013	383	26,424	18,363	1,128	218,311
Disposals	-	(2,787)	(1,646)	(19,358)	(1,242)	-	(25,033)
Effects of foreign currency exchange differences	-	-	-	(2)	-	-	(2)
Transfers	-	39,329	-	979	15,226	(55,534)	-
Transfers from investment properties	50,941	27,491	-	-	-	-	78,432
Transfers from prepayments for equipment	-	-	-	420	-	-	420
Transfers to operating expenses	-	-	-	-	(1,677)	-	(1,677)
Balance at December 31, 2020	<u>\$ 3,336,819</u>	<u>\$ 8,098,173</u>	<u>\$ 9,775</u>	<u>\$ 303,209</u>	<u>\$ 321,364</u>	<u>\$ 14,597</u>	<u>\$12,083,937</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2020	\$ 19,927	\$ 2,084,757	\$ 10,163	\$ 230,540	\$ 177,657	\$ -	\$ 2,523,044
Depreciation expenses	-	258,810	435	23,764	11,651	-	294,660
Disposals	-	(784)	(1,646)	(14,987)	(1,228)	-	(18,645)
Transfers from investment properties	-	4,754	-	-	-	-	4,754
Effects of foreign currency exchange differences	-	-	-	(2)	-	-	(2)
Balance at December 31, 2020	<u>\$ 19,927</u>	<u>\$ 2,347,537</u>	<u>\$ 8,952</u>	<u>\$ 239,315</u>	<u>\$ 188,080</u>	<u>\$ -</u>	<u>\$ 2,803,811</u>
Carrying amount at December 31, 2020	<u>\$ 3,316,892</u>	<u>\$ 5,750,636</u>	<u>\$ 823</u>	<u>\$ 63,894</u>	<u>\$ 133,284</u>	<u>\$ 14,597</u>	<u>\$ 9,280,126</u>

The Group's property, plant and equipment are depreciated on a straight-line basis based on the number of useful lives below:

	<u>Assets used by the company</u>	<u>Assets leased under operating leases</u>
Buildings	3-50 years	-
Transportation Equipment	2-5 years	-
Office Equipment	1-16 years	-
Machinery and Equipment	-	20 years
Other Equipment	1-15 years	-

(II) Assets leased under operating leases

	<u>Machinery and Equipment</u>
<u>Cost</u>	
Balance at January 1, 2021	<u>\$ 120,618</u>
Balance at December 31, 2021	<u>\$ 120,618</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2021	\$ 17,590
Depreciation expenses	<u>6,031</u>
Balance at December 31, 2021	<u>\$ 23,621</u>
Carrying amounts at December 31, 2021	<u>\$ 96,997</u>
<u>Cost</u>	
Balance at January 1, 2020	<u>\$ 120,618</u>
Balance at December 31, 2020	<u>\$ 120,618</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2020	\$ 11,559
Depreciation expenses	<u>6,031</u>
Balance at December 31, 2020	<u>\$ 17,590</u>
Carrying amount at December 31, 2020	<u>\$ 103,028</u>

The Group leases out machinery and equipment under operating leases for a lease term of 20 years. At the end of the lease term, the lessee has no preferential right to purchase the asset.

- (III) As of December 31, 2021 and 2020, the accumulated impairment of the property, plant and equipment, through the assessment of their recoverable amounts based on their net fair values was both \$53,366 thousand. The Group determines the recoverable amount of property, plant and equipment based on the fair value less disposal costs. The relevant fair value is determined under the comparative method. The main assumptions include the estimated selling price, which belongs to the Level 2 fair value measurement.

- (IV) The major components of the Group's buildings mainly include the above-ground structures and interior and exterior decoration, etc., and are depreciated according to their useful lives of 3–50 years.
- (V) For the amount of property, plant and equipment pledged by the Group, please refer to Note 33.
- (VI) As of December 31, 2021 and 2020, the Group's buildings and land were held in trust in order to obtain financing from financial institutions. For the trust registration of the T9 project and Youth Social Housing projects, please refer to Note 12. The trust for Buildings and land in the fourth section of Zhongxiao East Road was granted to King's Town Bank for a period from July 27, 2009 to July 31, 2024. As the financing loan was repaid in advance, the trust was terminated on June 3, 2021.

For the above-mentioned trust contract, the Group entrusts the trustees to execute fund control, property right management, financing loan repayment, and necessary expenses and expenditures incurred by the trust relationship.

18. Lease agreement

(I) Right-of-use Assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount		
Land	\$ 861,378	\$ 887,203
Buildings	32,063	40,667
Machinery and Equipment	702	126
Office Equipment	765	1,165
Transportation Equipment	9,225	10,599
Other assets	<u>1,240</u>	<u>832</u>
	<u>\$ 905,373</u>	<u>\$ 940,592</u>
	<u>2021</u>	<u>2020</u>
Additions to right-of-use assets	<u>\$ 8,081</u>	<u>\$ 9,815</u>
Depreciation charge for right-of-use assets		
Land	\$ 25,678	\$ 25,886
Buildings	8,604	8,696
Machinery and Equipment	243	360
Office Equipment	400	400
Transportation Equipment	6,866	5,410
Other assets	<u>376</u>	<u>403</u>
	<u>\$ 42,167</u>	<u>\$ 41,155</u>

The superficies and buildings leased by the Group are subleased to others in the form of operating leases. The relevant right-of-use assets are listed as investment property. Please refer to Note 19 for details. The above-mentioned amount of

right-of-use assets does not include right-of-use assets that meet the definition of investment property.

(II) Lease liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount		
Current	<u>\$ 195,131</u>	<u>\$ 198,659</u>
Non-current	<u>\$ 2,018,520</u>	<u>\$ 2,191,691</u>

Range of discount rate for lease liabilities is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Land	2.500%-2.970%	2.490%-2.970%
Buildings	2.150%-3.000%	1.500%-3.000%
Machinery and Equipment	1.750%	2.321%-4.826%
Office Equipment	2.622%-3.000%	2.622%-3.000%
Transportation Equipment	1.500%-3.030%	1.500%-3.080%
Other assets	1.480%	1.500%-2.622%

(III) Material lease-in activities and terms

The Group has leased certain equipment over lease terms of 2 to 6 years. These lease agreements do not contain terms for lease renewal or right of first refusal.

The Group has also leased certain land and buildings for factories, offices, and shopping malls, with the lease terms ranging from 2 to 64 years. For the lease of the land located in R.O.C., it is agreed to adjust the lease payment according to the assessed land value every year. The Group does not have preferential right to acquire the land and buildings leased at the end of the lease term.

The Group did not have significant new lease contracts for the years ended December 31, 2021 and 2020. In 2021 and 2020, due to the COVID-19 pandemic that severely affected the market economy, government agencies, including the National Property Administration, Ministry of Finance, the Taipei City Public Transportation Office, the Urban and Rural Development Bureau, New Taipei City, and the Taipei City Police Department provided rent relief programs. The above-mentioned lessors agreed to unconditionally reduce the amount of rents or postpone the collection of the rents.

(IV) Sublease

The Group's sublease transactions have been detailed in Notes 11 and 19.

(V) Other lease information

	<u>2021</u>	<u>2020</u>
Expenses relating to short-term lease	<u>\$ 10,879</u>	<u>\$ 10,599</u>
Total cash outflow of leases	<u>(\$ 224,660)</u>	<u>(\$ 239,560)</u>

The Group has leased certain office equipment which qualifies for short-term leases and certain equipment which qualifies for low-value asset leases. The Group has elected to apply the recognition exemption for said equipment and, thus, did not recognize the right-of-use assets and lease liabilities of said leases.

19. Investment properties

	<u>Completed Investment Properties</u>	<u>Right-of-use Assets</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 15,220,418	\$ 2,579,101	\$ 17,799,519
Additions	247,342	-	247,342
Disposals	-	(15,831)	(15,831)
Transfers to finance lease receivables	-	(81,082)	(81,082)
Transfers to right-of-use assets	-	152	152
Transfers to inventories	(274,139)	-	(274,139)
Balance at December 31, 2021	<u>\$ 15,193,621</u>	<u>\$ 2,482,340</u>	<u>\$ 17,675,961</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 2,417,097	\$ 233,663	\$ 2,650,760
Depreciation expenses	462,186	110,463	572,649
Disposals	-	(14,467)	(14,467)
Reversal of impairment losses	(27,154)	-	(27,154)
Transfers to finance lease receivables	-	(49,619)	(49,619)
Transfers to right-of-use assets	-	5	5
Transfers to inventories	(291)	-	(291)
Balance at December 31, 2021	<u>\$ 2,851,838</u>	<u>\$ 280,045</u>	<u>\$ 3,131,883</u>
Net at December 31, 2021	<u>\$ 12,341,783</u>	<u>\$ 2,202,295</u>	<u>\$ 14,544,078</u>
<u>Cost</u>			
Balance at January 1, 2020	\$ 15,251,993	\$ 2,700,484	\$ 17,952,477
Remeasurement of IFRS	-	122	122
Disposals	-	(21,942)	(21,942)
Transfers to finance lease receivables	-	(100,478)	(100,478)
Transfers from buildings and land held for sale	46,857	-	46,857
Transfers to right-of-use assets	-	915	915
Transfers from property, plant and equipment	(78,432)	-	(78,432)
Balance at December 31, 2020	<u>\$ 15,220,418</u>	<u>\$ 2,579,101</u>	<u>\$ 17,799,519</u>
	<u>Completed</u>	<u>Right-of-use</u>	<u>Total</u>

(Continued)

	Investment Properties	Assets	
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 1,943,442	\$ 151,600	\$ 2,095,042
Depreciation expenses	461,194	135,274	596,468
Disposals	-	(20,450)	(20,450)
Reversal of impairment losses	(5,700)	-	(5,700)
Transfers to finance lease receivables	-	(32,784)	(32,784)
Transfers from buildings and land held for sale	22,915	-	22,915
Transfers to right-of-use assets	-	23	23
Transfers from property, plant and equipment	(4,754)	-	(4,754)
Balance at December 31, 2020	<u>\$ 2,417,097</u>	<u>\$ 233,663</u>	<u>\$ 2,650,760</u>
Carrying amount at December 31, 2020	<u>\$ 12,803,321</u>	<u>\$ 2,345,438</u>	<u>\$ 15,148,759</u>

- (I) For the right-of-use asset in the investment properties, it is the superficies and buildings subleased by the Group to others in the form of operating leases.
- (II) The fair value of the Group's completed investment property as of December 31, 2021 and 2020, was \$24,588,043 thousand and \$24,005,783 thousand, respectively. The fair value is based on the appraisals conducted by independent appraisers Wei-Hsin Chin, Liang-An Chi, Shih-Ming Wang, and Wen-Che Tsai, who are not related parties, at the dates. Said appraisals were conducted using the comparative method, the income approach, and the land development analysis method.
- (III) The Group's investment properties (major components mainly include structures and decoration work) is depreciated using the straight-line method based on the useful lives of 3–50 years.
- (IV) For the amount of investment properties pledged by the Group, please refer to Note 33.
- (V) Based on the results of the appraisal report in 2021 and 2020, the Group estimated the recoverable amount of finished investment properties, and recognized \$27,154 thousand and \$5,700 thousand for gains on reversal in 2021 and 2020, respectively, under other gains and losses. As of December 31, 2021 and 2020, the accumulated impairment of the investment properties, through the assessment of their recoverable amounts based on their net fair values was \$212,334 thousand and \$239,488 thousand, respectively. The Group determines the recoverable amount of the finished

investment properties based on the fair value less disposal costs. The relevant fair value is determined under the comparative method. The main assumptions include the estimated selling price, which belongs to the Level 2 fair value measurement.

- (VI) On December 31, 2021 and 2020, the Group's investment properties and the rent claims of investment properties were held in trust in order to obtain financing from financial institutions. Please refer to Note 17 for the trust registration of the buildings and land in the fourth section of Zhongxiao East Road, and Note 12 for the trust registration status of the T9, and the Youth Social Housing projects.
- (VII) The lease terms for the lease out of investment properties range from 0.1 to 20 years. When the lessee exercises the right to renew a lease, it is agreed that the rent will be adjusted according to the market level. At the end of the lease term, the lessee has no preferential right to purchase the investment properties. In addition to fixed lease payments, the lease contract also stipulates that the lessee shall pay variable lease payments based on a specific percentage of its revenue.
- (VIII) The total amount of lease payments that will be received in the future for leasing out investment properties under operating leases is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Year 1	\$ 600,778	\$ 669,893
Year 2	425,199	570,455
Year 3	306,170	456,457
Year 4	300,773	407,786
Year 5	299,839	402,855
Year 6 onwards	<u>1,170,985</u>	<u>1,912,805</u>
	<u>\$ 3,103,744</u>	<u>\$ 4,420,251</u>

20. Intangible assets

	<u>Concessions</u>	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
<u>Cost</u>				
Balance at January 1, 2021	\$ 4,209,192	\$ 39,284	\$ 5,928	\$ 4,254,404
Additions	-	19,705	-	19,705
Disposals	-	(2,876)	(205)	(3,081)
Reclassified	337,603	-	-	337,603
Balance at December 31, 2021	<u>\$ 4,546,795</u>	<u>\$ 56,113</u>	<u>\$ 5,723</u>	<u>\$ 4,608,631</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2021	\$ 809,185	\$ 10,319	\$ 1,713	\$ 821,217
Disposals	-	(2,114)	(205)	(2,319)
Amortization expenses	120,055	13,079	429	133,563
Balance at December 31, 2021	<u>\$ 929,240</u>	<u>\$ 21,284</u>	<u>\$ 1,937</u>	<u>\$ 952,461</u>
Carrying amounts at December 31, 2021	<u>\$ 3,617,555</u>	<u>\$ 34,829</u>	<u>\$ 3,786</u>	<u>\$ 3,656,170</u>
<u>Cost</u>				
Balance at January 1, 2020	\$ 3,901,907	\$ 105,616	\$ 24,804	\$ 4,032,327
Additions	-	22,379	16	22,395
Disposals	-	(88,711)	(25,047)	(113,758)
Reclassified	307,285	-	6,155	313,440
Balance at December 31, 2020	<u>\$ 4,209,192</u>	<u>\$ 39,284</u>	<u>\$ 5,928</u>	<u>\$ 4,254,404</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2020	\$ 699,603	\$ 89,909	\$ 24,703	\$ 814,215
Disposals	-	(88,711)	(25,047)	(113,758)
Amortization expenses	109,582	9,121	692	119,395
Reclassified	-	-	1,365	1,365
Balance at December 31, 2020	<u>\$ 809,185</u>	<u>\$ 10,319</u>	<u>\$ 1,713</u>	<u>\$ 821,217</u>
Carrying amount at December 31, 2020	<u>\$ 3,400,007</u>	<u>\$ 28,965</u>	<u>\$ 4,215</u>	<u>\$ 3,433,187</u>

The above-mentioned intangible assets with finite useful lives are amortized on a straight-line basis based on the following useful lives:

Concessions	10-44 years
Computer software	1-10 years
Others	3-20 years

For the amount of intangible assets pledged by the Group to secure borrowings, please refer to Note 33.

21. Goodwill

The Company acquired 100% of the equity of Xin-Xiu-Ge in July 2011, and recognized the difference between the purchase price and the net assets obtained in goodwill. The balance on December 31, 2021 and 2020 was both \$36,288 thousand.

22. Borrowings

(I) Short-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Secured borrowings</u>		
Bank loans	\$ 2,804,447	\$ 3,581,168
<u>Unsecured borrowings</u>		
Bank loans	<u>922,430</u>	<u>753,614</u>
	<u>\$ 3,726,877</u>	<u>\$ 4,334,782</u>

The interest rate range of short-term borrowings as of December 31, 2021 and 2020 was 1.55%-3.11% and 1.23%-3.07%, respectively. Please refer to Note 33 for the collateral pledged for the above-mentioned borrowings.

(II) Short-term bills payable

<u>Guarantee or acceptance institutions</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Taiwan Cooperative Bills Finance Corporation	\$ 736,100	\$ 200,000
Entie Bank	620,300	-
International Bills Finance Corporation	309,000	-
Dah Chung Bills Finance Corp.	60,000	60,000
Taiwan Finance Corporation	60,000	-
Less: Discount on short-term bills payable	(<u>1,804</u>)	(<u>676</u>)
	<u>\$ 1,783,596</u>	<u>\$ 259,324</u>

The interest rate range of short-term bills payable as of December 31, 2021 and 2020 was 0.37%-1.90% and 1.36%-2.10%, respectively. Please refer to Note 33 for the collateral pledged for the above-mentioned short-term bills payable.

(III) Long-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Secured borrowings</u>		
Syndicated loan project I led by Mega International Commercial Bank	\$ 5,750,110	\$ 5,299,290
Syndicated loan project led by Bank of Taiwan	2,155,000	2,425,000
Syndicated loan project II led by Mega International Commercial Bank	1,776,000	1,872,000
Syndicated loan project led by Taiwan Cooperative Bank	94,010	429,010
Syndicated loan project led by CTBC Bank	-	656,466
Other borrowings from banks	14,028,027	14,860,555
<u>Unsecured borrowings</u>		
Other borrowings from banks	312,255	328,211
Deduction in long-term borrowings –arrangement fee	(50,260)	(58,416)
Less: Current portion of long-term borrowings and bonds payable	(7,264,740)	(2,207,624)
Add: Deduction in long-term borrowings due within one operating cycle - arrangement fee	<u>9,566</u>	<u>10,637</u>
Long-term borrowings	<u>\$ 16,809,968</u>	<u>\$ 23,615,129</u>

The interest rate range of long-term borrowings as of December 31, 2021 and 2020 was 1.438%-3.414% and 1.508%-3.414%, respectively.

The syndicated loan project I led by Mega International Commercial Bank includes 12 banks. Rih-Ding Water promises that its debt ratio shall not exceed 160% from 2021 to 2025 and 130% from 2026 to 2031, and the solvency ratio shall not be less than 120% from 2021 to 2025 and 100% in 2026 and 120% from 2027 to 2031 at the end of each year during the credit period.

The syndicated loan project led by Bank of Taiwan includes five banks.

The syndicated loan project II led by Mega International Commercial Bank includes seven banks. Rih-Siang promises that its current ratio shall not be lower than 100% and debt ratio shall not be higher than 250% during the credit period. In order to reduce the pressure of amortization and repayment of principal, Rih-Siang, still with financing needs, a syndicated loan with the borrowing facility of

\$1,982,350 thousand was reorganized in December 2019 with the loan period from January 15, 2020 to January 15, 2027, a total of 7 years. After the first installment of the principal was repaid on July 15, 2020, the principal is amortized and repaid in 7 years, thereafter with 6 months as a payment term.

The syndicated loan project led by Taiwan Cooperative Bank is taken out by Wan-Da-Tong and the group of banks in the syndicated loan involved in the T9 project and includes 15 banks. Wan-Da-Tong promises that the proportion of shareholders' equity in total assets shall not be less than 30% during the credit period, and the interest coverage ratio shall not be less than 300% in each fiscal year starting from 2011.

Syndicated loan project led by CTBC Bank includes 4 banks such as CTBC. The loan was repaid in advance on October 27, 2021.

Please refer to Note 33 for the collateral pledged for the above-mentioned borrowings.

23. Bonds payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Secured domestic bonds	\$ 6,000,000	\$ 5,500,000
Less: Current portion of bonds payable	(1,500,000)	-
Bonds payable	<u>\$ 4,500,000</u>	<u>\$ 5,500,000</u>

- (I) The Group issued the first domestic secured ordinary bonds on September 14, 2017. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 1.02% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (September 14, 2017 to September 14, 2022).
 5. Guarantee method: Taiwan Cooperative Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (II) The Group issued the second domestic secured ordinary bonds on November 23, 2017. The main conditions for the issue are as follows:
1. Total amount of issue: \$500,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.

3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 1.02% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (November 23, 2017 to November 23, 2022).
 5. Guarantee method: Taiwan Business Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (III) The Group issued the first domestic secured ordinary bonds on July 1, 2019. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.80% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (July 1, 2019 to July 1, 2024).
 5. Guarantee method: Taiwan Cooperative Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (IV) The Group issued the first domestic secured ordinary bonds on June 1, 2020. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.68% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (June 1, 2020 to June 1, 2025).
 5. Guarantee method: First Commercial Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (V) The Group issued the second domestic secured ordinary bonds on July 1, 2020. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.65% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (July 1, 2020 to July 1, 2025).

5. Guarantee method: First Commercial Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (VI) The Group issued the third domestic secured ordinary bonds on December 29, 2020. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.55% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (December 29, 2020 to December 29, 2025).
 5. Guarantee method: Taiwan Business Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (VII) The Group issued the first domestic secured ordinary bonds on August 2, 2021. The main conditions for the issue are as follows:
1. Total amount of issue: \$500,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.61% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (August 2, 2021 to August 2, 2026).
 5. Guarantee method: Taiwan Business Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.

Please refer to Note 33 for the collateral pledged for the above-mentioned corporate bonds.

24. Provisions

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Non-current</u>		
Warranties (I)	\$ 255,642	\$ 257,370
Contractual obligation to restore service concession (II)	<u>53,258</u>	<u>52,586</u>
	<u>\$ 308,900</u>	<u>\$ 309,956</u>

- (I) The provisions for warranty is the present value of the best estimate of the future outflow of economic benefits caused by the warranty obligation made by the management of the Group according to the sales contract. This estimate is based on

historical warranty experience, and is adjusted in consideration of new materials, process changes, or other factors that affect product quality.

- (II) The contractual obligation to restore service concession arising from the contractual obligation for the maintenance or restoration of the infrastructure before it is returned to the grantor and for the various types of payments collected by the government in accordance with the law, which are is specifically stated in the service concession arrangement, is the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

25. Maturity analysis of assets and liabilities

The assets and liabilities related to the Group's construction business is classified as current or non-current according to the operating cycle. The relevant amounts recognized are based on the amounts expected to be recovered or repaid within one year and more than one year after the end of the reporting period, which are listed below:

	December 31, 2021		Total
	Within 1 year	More than 1 year	
Assets			
Financial assets at			
amortized cost -current	\$ 245,116	\$ 400	\$ 245,516
Notes receivable and trade			
receivables	\$ 73,171	\$ -	\$ 73,171
Contract assets - current	\$ 87,704	\$ -	\$ 87,704
Buildings and land held for			
sale	\$ 5,311,059	\$ -	\$ 5,311,059
Property under			
development	\$ -	\$ 1,346,387	\$ 1,346,387
Property to be developed	\$ -	\$ 1,349,159	\$ 1,349,159
Prepayment for land			
purchases	\$ -	\$ 17,550	\$ 17,550
Refundable deposits -			
current	\$ 266,931	\$ -	\$ 266,931
Other current assets	\$ 100	\$ -	\$ 100
Incremental costs of			
obtaining a contracts -			
current	\$ 8,711	\$ 31,598	\$ 40,309
Liabilities			
Short-term borrowings	\$ 2,044,114	\$ 72,800	\$ 2,116,914
Short-term bills payable	\$ 359,058	\$ -	\$ 359,058
Contract liabilities -			
current	\$ 187,716	\$ 166,172	\$ 353,888
Current portion of			
long-term borrowings	\$ 27,000	\$ 494,394	\$ 521,394
Guarantee deposits			
received (shown as			
other current liabilities)	\$ 107,739	\$ 15,456	\$ 123,195
Construction warranty			
reserve (shown as other			
current liabilities)	\$ 27,666	\$ 56,431	\$ 84,097

	December 31, 2020		
	Within 1 year	More than 1 year	Total
Assets			
Financial assets at amortized cost -current	\$ 71,306	\$ 400	\$ 71,706
Notes receivable and trade receivables	\$ 32,540	\$ -	\$ 32,540
Contract assets - current	\$ 353	\$ 57,993	\$ 58,346
Buildings and land held for sale	\$ 6,103,284	\$ -	\$ 6,103,284
Property under development	\$ 845,318	\$ 856,562	\$ 1,701,880
Property to be developed	\$ -	\$ 724,831	\$ 724,831
Prepayment for land purchases	\$ -	\$ 28,854	\$ 28,854
Refundable deposits - current	\$ 245,734	\$ -	\$ 245,734
Other current assets	\$ 160	\$ -	\$ 160
Incremental costs of obtaining a contract - current	\$ 47,022	\$ -	\$ 47,022
Liabilities			
Short-term borrowings	\$ 1,733,768	\$ 42,000	\$ 1,775,768
Short-term bills payable	\$ 199,448	\$ -	\$ 199,448
Contract liabilities - current	\$ 216,162	\$ 6,800	\$ 222,962
Current portion of long-term borrowings	\$ 589,510	\$ -	\$ 589,510
Guarantee deposits received (shown as other current liabilities)	\$ 106,038	\$ 10,713	\$ 116,751
Construction warranty reserve (shown as other current liabilities)	\$ 24,293	\$ 58,600	\$ 82,893

26. Retirement benefit plans

(I) Defined contribution plans

The Group has adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts of the Bureau of Labor Insurance at 6% of monthly salaries and wages.

(II) Defined benefit plans

The pension system adopted by RADIUM and Titan in the Group in accordance with the Labor Standards Act of R.O.C. is a state-managed defined benefit pension plan. The payment for employee pensions is calculated based on the length of service and the average salary in the 6 months prior to the approved retirement date. Such companies contribute pensions at 2% of the total monthly employee salaries, which are deposited by the Pension Fund Monitoring Committee in the pension account

with the Bank of Taiwan in the name of the committee. Before the end of each year, if the balance in the pension account assessed is inadequate to pay for the retirement benefits for employees who meet the retirement requirements in the following year, the Company will contribute an amount to make up for the difference in a lump sum by the end of March of the following year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor; the Group has no right to influence the investment management strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	\$ 30,755	\$ 31,658
Fair value of plan asset	(<u>17,089</u>)	(<u>16,146</u>)
Insufficiency in contribution	<u>13,666</u>	<u>15,512</u>
Net defined benefit liabilities	<u>\$ 13,666</u>	<u>\$ 15,512</u>

Changes in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan asset</u>	<u>Net defined benefit Liabilities</u>
January 1, 2020	\$ 30,827	(\$ 15,057)	\$ 15,770
Service cost			
Current service cost	65	-	65
Net interest expense (income)	<u>201</u>	(<u>99</u>)	<u>102</u>
Recognized in profit or loss	<u>266</u>	(<u>99</u>)	<u>167</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(503)	(503)
Actuarial loss - changes in demographic assumptions	14	-	14
Actuarial loss - changes in financial assumptions	963	-	963
Actuarial gain - experience adjustments	(<u>412</u>)	<u>-</u>	(<u>412</u>)
Recognized in other comprehensive income	<u>565</u>	(<u>503</u>)	<u>62</u>
Contributions from the employer	<u>-</u>	(<u>487</u>)	(<u>487</u>)
December 31, 2020	31,658	(16,146)	15,512
Service cost			
Current service cost	66	-	66
Net interest expense (income)	<u>82</u>	(<u>43</u>)	<u>39</u>
Recognized in profit or loss	<u>148</u>	(<u>43</u>)	<u>105</u>

(Continued)

	Present value of the defined benefit obligation	Fair value of plan asset	Net defined benefit liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	(\$ 243)	(\$ 243)
Actuarial loss - changes in demographic assumptions	46	-	46
Actuarial loss - changes in financial assumptions	(735)	-	(735)
Actuarial gain - experience adjustments	(362)	-	(362)
Recognized in other comprehensive income	(1,051)	(243)	(1,294)
Contributions from the employer	-	(657)	(657)
December 31, 2021	<u>\$ 30,755</u>	<u>(\$ 17,089)</u>	<u>\$ 13,666</u>

Due to the pension plans under the Labor Standards Act, the Group is exposed to the following risks:

1. Investment risk: The Bureau invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits on its own use and through agencies entrusted. However, the income from the Group's amount allocated to plan assets is calculated based on the interest rate not lower than the local bank's interest rate for 2-year time deposits.
2. Interest risk: A decrease in the interest rate in the government bonds/corporate bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment through the plan assets will also increase, and the increases will partially offset the effect of the net defined benefit liability.
3. Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of the participants in the plan. As such, an increase in the salary of the participants in the plan will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The critical assumptions made on the measurement date are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate	0.50%-0.65%	0.18%-0.30%
Expected rate of salary increase	2.00%	2.00%
Employee turnover rate	0.41%-0.59%	0.54%-0.84%

If each of the critical actuarial assumptions is subject to reasonably possible changes, when all other assumptions remain unchanged, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate		
0.25% increase	(<u>\$ 525</u>)	(<u>\$ 600</u>)
0.25% decrease	<u>\$ 540</u>	<u>\$ 618</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 531</u>	<u>\$ 606</u>
0.25% decrease	(<u>\$ 519</u>)	(<u>\$ 591</u>)
Turnover rate		
110% increase	<u>\$ -</u>	<u>\$ -</u>
90% decrease	<u>\$ -</u>	<u>\$ -</u>

As actuarial assumptions may be correlated, it is unlikely that only a single assumption would occur in isolation of one another, so the sensitivity analysis above may not reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
The expected contributions to the plan for the following year	<u>\$ 528</u>	<u>\$ 585</u>
The weighted average duration of the defined benefit obligation	6 years	6.5 years

27. Equity

(I) Share capital

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Authorized shares (in thousands)	<u>950,000</u>	<u>950,000</u>
Authorized capital	<u>\$ 9,500,000</u>	<u>\$ 9,500,000</u>
Issued and paid shares (in thousands)	<u>900,095</u>	<u>900,095</u>
Issued capital	<u>\$ 9,000,946</u>	<u>\$ 9,000,946</u>

The ordinary shares issued, with a par value of \$10 per share, are entitled to one voting right per share and to the right to receive dividends.

The Company's board of directors passed the resolution on March 20, 2020 to repurchase 20,000 thousand treasury shares. Upon expiration, the actual number of shares repurchased was 12,213 thousand treasury shares. The cancellation and change registration for the capital reduction was conducted in accordance with the law, with July 8, 2020 set as the record date for capital reduction.

The board of directors passed the resolution on December 24, 2021 to purchase 20,000 thousand treasure shares. The cancellation and change registration for the capital reduction was conducted in accordance with the law, with March 9, 2022 set as the record date for capital reduction.

(II) Capital Surplus

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Additional paid in capital	\$ 1,223,774	\$ 1,223,774
Difference between consideration and carrying amount of subsidiaries acquired or disposed	59,494	59,494
Retirement of treasury share	<u>24,575</u>	<u>24,575</u>
	<u>\$ 1,307,843</u>	<u>\$ 1,307,843</u>

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus). If there is no cash inflow from the capital surplus, it can only be used to offset the deficit.

(III) Retained earnings and dividends policy

In accordance with the Company's Articles of Incorporation regarding earnings allocation, when there are earnings in the Company's annual final accounts, the earnings shall be allocated in the following order:

1. Pay taxes.
2. Offset the deficits from prior years.
3. Set aside 10% of the balance for legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply.
4. Set aside or reverse the special reserve when necessary in accordance with the law.

5. With any remaining balance after deducting the amounts in 1. – 4., together with the accumulated earnings from prior years, the board of directors shall consider the Company's financial position and draft a proposal for distributing dividends to shareholders. The proposal will be submitted it to the shareholders' meeting for a resolution.

For information on the distribution of the employee compensation and remuneration of directors, please refer to Note 29 regarding employee compensation and remuneration of directors.

The life cycle of the Company's industry is at a developed and stable stage. After considering the Company's earnings, future capital needs, and development plans, the Company's dividends will be distributed in both stocks and cash. Of them, the cash dividends distributed shall not be less than 20% of the total dividends distributed for the year. However, if the cash dividends are less than \$0.1 (inclusive) per share, the dividends may be fully distributed in stock.

The shareholders' meeting held on July 29, 2021 resolved and passed the amendment to the Articles of Incorporation specifying that - when a special reserve is appropriated from the net deduction in other equity accumulated in the previous period, where the undistributed earnings of the previous period are insufficient, the undistributed earnings will be included in the undistributed earnings of the current period from net income plus items other than net income after tax of the current period. Prior to the amendment of the Articles of Incorporation, the Company carried out appropriation of earnings from distributed earnings of the previous period in accordance with the law.

Appropriation of earnings to legal reserve shall be made until the reserve equals the Company's paid-in capital. Legal reserves may be used to offset the deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to share capital or distributed in cash. The earnings distribution proposals for 2020 and 2019 approved in the shareholders' meetings on July 29, 2021 and May 18, 2020, respectively, are as follows:

	<u>2020</u>	<u>2019</u>
Legal Reserve	<u>\$ 62,263</u>	<u>\$ 40,673</u>
Special Reserves	<u>(\$ 1,945)</u>	<u>(\$ 1,026)</u>
Cash dividends	<u>\$ 558,058</u>	<u>\$ 547,385</u>
Cash dividends per share(NT\$)	\$ 0.62	\$ 0.6

The 2021 earnings distribution proposal put forth by the Company's board of directors on March 29, 2022 is as follows:

	<u>2021</u>
Legal Reserve	<u>\$ 6,164</u>
Special Reserves	<u>\$ 156</u>
Cash dividends	<u>\$ 176,019</u>
Cash dividends per share (NT\$)	\$ 0.2

The 2021 earnings distribution proposal has yet to be resolved by the shareholders' meeting scheduled to be held on May 27, 2022.

(IV) Treasury shares

<u>Purpose of Buy-back</u>	<u>Shares Cancelled (in thousands of shares)</u>
Number of shares at January 1, 2021	-
Increase during the year	<u>3,649</u>
Number of shares at December 31, 2021	<u>3,649</u>
Number of shares at January 1, 2020	-
Increase during the year	12,213
Decrease during the year	(<u>12,213</u>)
Number of shares at December 31, 2020	<u>-</u>

Treasury shares hold by the Company may not be pledged in accordance with the Securities and Exchange Act, and are not entitled to dividends or voting rights.

28. Revenue

	<u>2021</u>	<u>2020</u>
Revenue from contracts with customers		
Construction contract revenue	\$ 3,771,591	\$ 4,029,003
Shopping mall revenue	738,143	992,187
Hotel service revenue	276,517	276,939
Other operating revenue	<u>704,877</u>	<u>730,464</u>
	<u>5,491,128</u>	<u>6,028,593</u>
Rental income		
Investment properties (Note 19)		
Variable lease payments that do not depend on an index or a rate	2,521	10,363
Other lease payments	672,650	618,241
Other operating lease (Note 17)		
Variable lease payments that do not depend on an index or a rate	84,932	106,561
Other lease payments	<u>7,866</u>	<u>8,574</u>
	<u>767,969</u>	<u>743,739</u>
	<u>\$ 6,259,097</u>	<u>\$ 6,772,332</u>

(I) Contract balance

	December 31, 2021	December 31, 2020	January 1, 2020
Trade receivables (Note 10)	<u>\$ 1,117,784</u>	<u>\$ 440,680</u>	<u>\$ 636,358</u>
Long-term receivables (Note 14)	<u>\$ 9,397,628</u>	<u>\$ 9,089,289</u>	<u>\$ 6,814,139</u>
Contract assets			
Construction of properties	<u>\$ 87,704</u>	<u>\$ 58,346</u>	<u>\$ 266,371</u>
Contract assets - current	<u>87,704</u>	<u>58,346</u>	<u>266,371</u>
Service concession	<u>639,572</u>	<u>964,115</u>	<u>1,350,377</u>
Contract assets - non-current	<u>639,572</u>	<u>964,115</u>	<u>1,350,377</u>
	<u>\$ 727,276</u>	<u>\$ 1,022,461</u>	<u>\$ 1,616,748</u>
Contract liabilities			
Construction of properties	\$ -	\$ -	\$ 17,544
Sale of properties	353,888	222,962	628,296
Sale of merchandise	202,102	177,013	150,098
Customer loyalty programs	<u>8,221</u>	<u>10,298</u>	<u>11,793</u>
Contract liabilities - current	<u>\$ 564,211</u>	<u>\$ 410,273</u>	<u>\$ 807,731</u>

The change in contract assets and liabilities is mainly due to the difference between the point of meeting the performance obligation and the time of payment by the customer.

The contract liabilities at the beginning of the year recognized as revenue for the current year is as follows:

	<u>2021</u>	<u>2020</u>
<u>Contract liabilities at the beginning of the year</u>		
Sale of properties	\$ 159,136	\$ 47,495
Sale of merchandise	81,636	75,408
Customer loyalty programs	<u>10,493</u>	<u>11,793</u>
	<u>\$ 251,265</u>	<u>\$ 134,696</u>

The credit risk management adopted by the Group for contract assets is the same as that for trade receivables, please refer to Note 10.

(II) Assets related to contract costs

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Incremental costs of obtaining a contracts	<u>\$ 40,309</u>	<u>\$ 47,022</u>

(III) Disaggregation of revenue

2021

<u>Type of merchandise or service</u>	Reportable segment				Total
	Construction	Shopping mall business	Sewage treatment	Others	
Construction revenue	\$ 2,740,527	\$ -	\$ 1,031,064	\$ -	\$ 3,771,591
Shopping mall revenue	-	738,143	-	-	738,143
Hotel service revenue	-	-	-	276,517	276,517
Others	-	286,198	283,841	134,838	704,877
	<u>\$ 2,740,527</u>	<u>\$ 1,024,341</u>	<u>\$ 1,314,905</u>	<u>\$ 411,355</u>	<u>\$ 5,491,128</u>

2020

<u>Type of merchandise or service</u>	Reportable segment				Total
	Construction	Shopping mall business	Sewage treatment	Others	
Construction revenue	\$ 2,084,479	\$ -	\$ 1,944,524	\$ -	\$ 4,029,003
Shopping mall revenue	-	992,187	-	-	992,187
Hotel service revenue	-	-	-	276,939	276,939
Others	27,968	271,552	264,767	166,177	730,464
	<u>\$ 2,112,447</u>	<u>\$ 1,263,739</u>	<u>\$ 2,209,291</u>	<u>\$ 443,116</u>	<u>\$ 6,028,593</u>

29. Net profit

(I) Interest income

	2021	2020
Bank deposits	\$ 2,964	\$ 3,959
Financial assets measured at amortized cost	103	1,677
Long-term receivables	612,481	500,216
Others	2,422	2,876
	<u>\$ 617,970</u>	<u>\$ 508,728</u>

(II) Other income

	2021	2020
Dividend income	\$ 1,185	\$ 588
Others	216,515	849,953
	<u>\$ 217,700</u>	<u>\$ 850,541</u>

(III) Other gains and losses

	<u>2021</u>	<u>2020</u>
Net foreign exchange losses	(\$ 3,883)	(\$ 196)
Gains on disposals of investments	12	-
Gains (losses) on disposals of property, plant and equipment	3	(2,163)
Losses on disposal of intangible assets	(762)	-
Net gains (losses) on financial assets at FVTPL	(674)	144
Reversal of impairment loss on non-financial assets	27,154	5,700
Losses on sublease of right-of-use assets	(27,034)	(47,099)
Lease modification loss	(8,574)	(1,146)
Other expenditures	(<u>2,188</u>)	(<u>3,686</u>)
	(<u>\$ 15,946</u>)	(<u>\$ 48,446</u>)

(IV) Finance costs

	<u>2021</u>	<u>2020</u>
Interest on bank loans	\$ 698,506	\$ 728,983
Interest on lease liabilities	59,931	64,381
Others	45,404	33,322
Less: Amounts included in the cost of qualifying assets	(<u>45,268</u>)	(<u>61,459</u>)
	<u>\$ 758,573</u>	<u>\$ 765,227</u>

Relevant information on capitalization of interest is as follows:

	<u>2021</u>	<u>2020</u>
Capitalized interest amount	\$ 45,268	\$ 61,459
Capitalization rate	0.63%-2.74%	0.72%-3.00%

(V) Depreciation and amortization

	<u>2021</u>	<u>2020</u>
An analysis of depreciation by function		
Operating costs	\$ 606,872	\$ 587,733
Operating expenses	<u>297,156</u>	<u>350,581</u>
	<u>\$ 904,028</u>	<u>\$ 938,314</u>
An analysis of amortization by function		
Operating costs	\$ 62,440	\$ 52,211
Operating expenses	<u>71,123</u>	<u>67,184</u>
	<u>\$ 133,563</u>	<u>\$ 119,395</u>

(VI) Employees' benefits expenses

	<u>2021</u>	<u>2020</u>
Post-employment benefits (Note 26)		
Defined contribution plans	\$ 28,301	\$ 28,915
Defined benefit plans	105	167
Other employee benefits	<u>707,066</u>	<u>751,222</u>
Total employee benefits expenses	<u>\$ 735,472</u>	<u>\$ 780,304</u>
An analysis by function		
Operating costs	\$ 155,667	\$ 147,362
Operating expenses	<u>579,805</u>	<u>632,942</u>
	<u>\$ 735,472</u>	<u>\$ 780,304</u>

(VII) Employee compensation and remuneration of directors

If the Company records a profit in the year, it shall allocate no less than 0.5% of the balance for employee compensation, which shall be distributed in stock or cash as resolved by of the board of directors; the Company may allocate no more than 1% of said profit for the remuneration of directors as resolved by of the board of directors. The proposals for employee compensation and directors' remuneration shall be reported to the shareholders' meeting.

Where there is an accumulated loss, the profit shall be reserved to make up for the loss and the remuneration to employees and directors shall be provided in proportion in accordance with the aforementioned amount. The Company carries out the transfer of treasury shares to employees, employee stock options, employee remuneration, employee subscription of new shares, and restricted stock awards to employees of controlling or subordinate companies who meet certain conditions. These conditions are determined by the board of directors.

The 2021 estimated compensation and remuneration of employees and directors and 2020 compensation and remuneration of employees and directors resolved by the board of directors on March 26, 2021 are as follows:

	<u>2021</u>	<u>2020</u>
	Cash	Cash
Compensation of employees	\$ 1,000	\$ 7,200
Remuneration to directors	300	5,000

The actual amount of 2021 distribution of compensation and remuneration of employees and directors resolved by the board of directors on March 29, 2022 was \$1,300 thousand and \$600 thousand, which were different from the amounts recognized in the annual financial statements. As the differences were not significant, they were adjusted to profit or loss for 2022.

The actual amounts of distribution of compensation and remuneration to employees and directors for 2020 and 2019 resolved by the board of directors on March 26, 2021 and March 30, 2020 were not different from the amounts recognized in the consolidated financial reports for 2020 and 2019.

For the information on the Company's employee compensation and the remuneration of directors for 2021 and 2020 as resolved by the board resolutions, please visit the Market Observatory Post System (MOPS) of the Taiwan Stock Exchange.

30. Income tax

(I) Income tax recognized in profit or loss

Major components of income tax expenses are as follows:

	<u>2021</u>	<u>2020</u>
Tax currently payable		
In respect of the current year	\$ 111,665	\$ 132,513
Adjustments for prior year	(1,480)	(10,720)
Deferred tax		
In respect of the current year	<u>106,696</u>	<u>212,580</u>
Income tax expense recognized in profit or loss	<u>\$ 216,881</u>	<u>\$ 334,373</u>

The Group's reconciliation between the accounting income and the current income tax expense is as follows:

	<u>2021</u>	<u>2020</u>
Profit before income tax	<u>\$ 279,931</u>	<u>\$ 1,001,658</u>
Income tax expense calculated at the statutory rate (20%)	\$ 55,986	\$ 200,332
Nondeductible expense in determining taxable income	57,395	59,762
Tax- exempt income	(20,695)	(255,426)
Deductible temporary differences	10,914	160,227
Loss carryforwards that cannot be retained	107,111	6,787
Unrecognized loss carryforwards	33,052	151,859
Investment tax credits used in the current period	(69,595)	(951)

(Continued)

	<u>2021</u>	<u>2020</u>
Loss carryforwards used in the current period	246	-
Difference in basic tax payable	41,633	-
Income tax on unappropriated earnings	246	1,992
Land value increment tax	2,068	20,511
Adjustments for prior year's tax	(1,480)	(10,720)
Income tax expense recognized in profit or loss	<u>\$ 216,881</u>	<u>\$ 334,373</u>

(II) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2021

	<u>Opening balance</u>	<u>Recognized in profit or loss</u>	<u>Closing balance</u>
<u>Deferred tax assets</u>			
Deductible temporary differences			
Unrealized gross profit	\$ 28,691	(\$ 867)	\$ 27,824
Reserve for construction warranty	14,847	477	15,324
Others	32,590	(18,151)	14,439
Loss carryforwards	<u>166,360</u>	<u>(32,125)</u>	<u>134,235</u>
	<u>\$ 242,488</u>	<u>(\$ 50,666)</u>	<u>\$ 191,822</u>
<u>Deferred tax liabilities</u>			
Deductible temporary differences	<u>\$ 712,161</u>	<u>\$ 56,030</u>	<u>\$ 768,191</u>

2020

	<u>Opening balance</u>	<u>Recognized in profit or loss</u>	<u>Closing balance</u>
<u>Deferred tax assets</u>			
Deductible temporary differences			
Unrealized gross profit	\$ 29,570	(\$ 879)	\$ 28,691
Reserve for construction warranty	15,235	(388)	14,847
Others	40,374	(7,784)	32,590
Loss carryforwards	<u>154,957</u>	<u>11,403</u>	<u>166,360</u>
	<u>\$ 240,136</u>	<u>\$ 2,352</u>	<u>\$ 242,488</u>
<u>Deferred tax liabilities</u>			
Deductible temporary differences	<u>\$ 497,229</u>	<u>\$ 214,932</u>	<u>\$ 712,161</u>

(III) Deductible temporary differences, unused loss carryforwards, and unused investment tax credits for deferred tax assets not recognized in the consolidated balance sheet

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Loss carryforwards	<u>\$ 12,417,491</u>	<u>\$ 13,040,831</u>
Deductible temporary difference	<u>\$ 2,165,824</u>	<u>\$ 2,104,664</u>
Investment tax credits		
Major infrastructure projects	<u>\$ 487,312</u>	<u>\$ 541,961</u>

(IV) Information on unused investment tax credits, loss carryforwards, and tax exemptions

As of December 31, 2021, the relevant information on investment tax credits is as follows:

<u>Company name</u>	<u>Legal basis</u>	<u>Item</u>	<u>Balance before reduction</u>	<u>Final year for deduction</u>
RADIUM	The Regulations Governing Application of Investment Tax Credits to Private Institutions Participating in Public Infrastructure Projects	Investment in major infrastructure projects	<u>\$ 57,094</u>	2022
RADIUM	The Regulations Governing Application of Investment Tax Credits to Private Institutions Participating in Public Infrastructure Projects	Investment in major infrastructure projects	<u>\$ 80,000</u>	2023
Rih-Ding Water	The Regulations Governing Application of Investment Tax Credits to Private Institutions Participating in Public Infrastructure Projects	Major infrastructure projects	<u>\$ 6,514</u>	2022
Rih-Ding Water	The Regulations Governing Application of Investment Tax Credits to Private Institutions Participating in Public Infrastructure Projects	Major infrastructure projects	<u>\$ 144,527</u>	2023

(Continued)

Company name	Legal basis	Item	Balance before reduction	Final year for deduction
Rih-Ding Water	The Regulations Governing Application of Investment Tax Credits to Private Institutions Participating in Public Infrastructure Projects	Major infrastructure projects	<u>\$ 115,776</u>	2024
Rih-Ding Water	The Regulations Governing Application of Investment Tax Credits to Private Institutions Participating in Public Infrastructure Projects	Major infrastructure projects	<u>\$ 83,401</u>	2025

As of December 31, 2021, the relevant information on loss carryforwards is as follows:

Balance before deduction	Final year for deduction
\$ 598,611	2022
3,798,401	2023
188,211	2024
320,589	2025
524,324	2026
2,271,894	2027
4,551,500	2028
292,610	2029
338,340	2030
204,186	2031
<u>\$ 13,088,666</u>	

(V) Income tax approval

The profit-seeking enterprise income tax returns filed by the Company up to 2019 have been approved by the tax collection authority.

31. Earnings per share

	Unit: NT\$ per share	
	2021	2020
Basic earnings per share	<u>\$ 0.07</u>	<u>\$ 0.69</u>
Diluted earnings per share	<u>\$ 0.07</u>	<u>\$ 0.69</u>

The earnings and the weighted average number of ordinary shares used to calculate the earnings per share are as follows:

Net profit for the year

	<u>2021</u>	<u>2020</u>
Profit for the year attributable to owners of the Company	<u>\$ 60,343</u>	<u>\$ 622,688</u>

Number of shares

	Unit: In thousands of shares	
	<u>2021</u>	<u>2020</u>
Weighted average number of ordinary shares used in computation of basic earnings per share	900,064	903,349
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>243</u>	<u>739</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>900,307</u>	<u>904,088</u>

If the Company can settle the compensation to employees in cash or shares, the Company assumes the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share if the effect is dilutive. Such a dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

32. Related party transaction

Balances and transactions between RADIUM and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and other related parties are disclosed as follows.

(I) Related party name and relationship

<u>Related party name</u>	<u>Relationship with the Group</u>
Jing-Yang Apartment Building Management and Maintenance Co., Ltd.	Associate
Radium Foundation	Substantive related party
Rong Shian Lin	Substantive related party
Lin Long Huan	Substantive related party
Golden Century Co., Ltd.	Substantive related party
Ri-Jun Investment Co., Ltd.	Substantive related party
Jun-An Construction Development Co., Ltd.	Substantive related party

(Continued)

<u>Related party name</u>	<u>Relationship with the Group</u>
Changxin Investment Development Co., Ltd.	Substantive related party
Lee White Corporation	Substantive related party
Jing-Kang Development Investment Co., Ltd.	Substantive related party
Chic Stuff Incorporated	Substantive related party
Ding-Sheng Digital Life Co., Ltd.	Substantive related party
Jin-Hua-Tai Investment Co., Ltd.	Substantive related party
K. C. Chou	Substantive related party
Shen Tung Sheng	Substantive related party
Lin Chun Yu	Substantive related party
Jim Lee	Substantive related party
Shen Ching Peng	Substantive related party
Liu Yao Kai	Substantive related party
Liu Wen Chi	Substantive related party
An Ke Chieh	Substantive related party
An Ching I	Substantive related party

(II) Transactions with other related parties

1. Contract liabilities

As of December 31, 2021 and 2020, the total contract price (including tax) of the property sold by the Group to the substantive related parties was \$49,360 thousand and \$18,640 thousand, respectively. The contract liabilities (before tax) as of December 31, 2021 and 2020 were \$9,415 thousand and \$1,843 thousand, respectively. The relevant income recognized for 2021 and 2020 was \$16,457 thousand and \$0, respectively.

2. Disposal of property, plant and equipment

<u>Related party category/name</u>	<u>Proceeds from disposal</u>		<u>Gains on disposal</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Substantive related party	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 38</u>

3. Lease-in arrangements

<u>Account title</u>	<u>Related party category/name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Lease liabilities	Substantive related party	<u>\$ 1,282</u>	<u>\$ 2,122</u>

<u>Related party category/name</u>	<u>2021</u>	<u>2020</u>
<u>Interest expenses</u>		
Substantive related party	<u>\$ 47</u>	<u>\$ 82</u>

4. Lease-out arrangements

Operating leases

The Group leases out property to substantive related parties under operating leases, and there is no significant difference compared with general non-related party transactions. As of December 31, 2021 and 2020, the total amount of lease payments that would be received in the future was both \$0. The rental income recognized for 2021 and 2020 was \$910 thousand and \$863 thousand, respectively.

5. Operating expenses

The amount of property management services provided by associates in 2021 and 2020 to the Group was \$21,760 thousand and \$18,140 thousand, respectively.

The donations to related parties by the Group were \$5,182 thousand in both 2021 and 2020.

6. Others

- (1) As of December 31, 2021 and 2020, the related parties provided the assets below as collateral for the Group's loans and guarantees:

<u>Related party category/name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Substantive related party Lin Rong Shian et al.	Securities	Securities

- (2) The Group applied to banks for financing, short-term bills payable, and performance guarantee, with the substantive related party Lin Rong Shian et al. as the joint guarantors.

(III) Remuneration of key management personnel

	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 51,680	\$ 68,422
Post-employment benefits	<u>932</u>	<u>1,048</u>
Total	<u>\$ 52,612</u>	<u>\$ 69,470</u>

The remuneration of directors and key management personnel is proposed by the remuneration committee in accordance with individual performance and the Company's profitability, and then submitted to the board of directors for discussion and decision. For detailed information on the total remuneration paid to the above-mentioned key management personnel, please refer to the annual report of the shareholders' meeting.

33. Pledged assets

The assets below have been provided as collateral for the issue of performance bonds, bank loans, short-term bills payable, and gift certificates:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets at amortized cost		
-current	\$ 1,033,724	\$ 376,356
Financial assets at amortized cost		
-non-current	1,993,654	2,629,129
Buildings and land held for sale	4,946,017	5,920,529
Property to be developed	786,834	701,062
Property under development	1,346,387	856,562
Right-of-use assets - cost of land	861,378	887,203
Investment property - right-of-use assets	2,127,787	2,183,303
Intangible assets	1,957,631	2,020,097
Investment properties	12,126,345	12,587,881
Property, plant and equipment	<u>8,592,907</u>	<u>8,801,708</u>
	<u>\$ 35,772,664</u>	<u>\$ 36,963,830</u>

34. Significant commitments and contingencies

Except for other notes, the significant commitments and contingencies of the Group at the end of the reporting period are as follows:

- (I) As of December 31, 2021 and 2020, the Group entered into contracts for procurement of construction materials with a number of suppliers. The total contract price and the payments made are listed as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total contract price	\$ 13,097,520	\$ 11,208,460
Payments already made (Note)	4,273,189	4,038,677

Note: Recognized under accounts of property under development, unfinished construction, and prepayments.

- (II) As of December 31, 2021 and 2020, the guarantee bills issued by the Group for contracting projects were \$63,377 thousand and \$1,422,012 thousand, respectively.
- (III) In December 2001, RADIUM signed an Investment Agreement of the Xindian Depot Joint Development, Xindian Line (MRT) with the Taipei City Government. Both parties discussed matters related to the joint development (Mehas Project) at the Xindian factory base of the Xindian Line of the MRT system. It was agreed that the Taipei City Government and other landlords would provide the land, and RADIUM would invest in the construction of residential buildings, offices, and shopping malls. As of December 31, 2021 and 2020, the amount of the performance bond paid by the Company using certificates of time deposits was both \$118,703 thousand.

(IV) In December 2009, RADIUM signed the Land Development Investment Agreement for Daqiao Elementary Station, Xinzhuang Line (MRT). It was agreed that the Taipei City Government and other landlords would provide the land and RADIUM would invest in the construction of buildings. RADIUM and each landlord shall allocate the rights and interests in accordance with the agreed method. As of December 31, 2021 and 2020, the amount of the performance bond paid by RADIUM 's using certificates of time deposits was both \$21,336 thousand.

(V) RADIUM won the bid for the “District 1 and District 2 Land Tender for Fu-Jou Affordable Housing Project Investment Plan” in September 2011. As of December 31, 2021 and 2020, the amount of the performance bond paid by the Company's using certificates of time deposits was both \$29,877 thousand.

Some of the buyers of the Company’s first-floor units of the Fu-Jou Affordable Housing Project in Banciao filed a lawsuit for the termination of the sale and purchase contract. The Company has reached a settlement with most of the buyers who filed a lawsuit. There is currently only one lawsuit (one buyer) still on trial in the court of first instance. Some of the buyers filed lawsuits claiming the Company was late in notifying the date of the house handover and requested interest. At present, a lawsuit is under trial in the first-instance court; two lawsuits are abandoned by the Supreme Court pending retrial by the High Court; and one lawsuit is under trail in the third-instance court.

(VI) RADIUM and Ji-Shun and the Taichung City Government signed the” The Land Development Project of WuRi WenXin BeiTun Line G6 and G8a Station of Taichung Mass Rapid Transit Systems” in December 2020. As of December 31, 2021 and 2020, RADIUM has paid the performance bond for the Taichung City Government Wenxin Chongde Station (G6) and Wenxin Yinghua Station (G8a) project in the amount of \$5,165thousand and \$4,087thousand, respectively. The performance guaranties issued the bank as Ji-Shun’s performance bonds for the Wenxin Chongde Station (G6) and Wenxin Yinghua Station (G8a) are in the amounts of \$46,485 thousand and \$36,779 thousand, respectively.

(VII) The Company entered into a Commissioning Contract for New Urban Renewal Project Executor for 25 lots (formerly 28 lots) of land at 2 sections of Gongyuan Section, Zhongzheng District, Taipei City with Cathay United Bank in May 2021. The allocation of related rights and interests of the entire project are handled by means of a rights exchange in accordance with the Urban Renewal Act as of

December 31, 2021, the amount of the performance guarantee issued by the bank as the performance bond was \$60,000 thousand.

(VIII) RADIUM and Ji-Shun and the Taichung City Government signed the "The Land Development Project of WuRi WenXin BeiTun Line Station NanTun Station (G11) of Taichung Mass Rapid Transit Systems" in September 2021. As of December 31, 2021, the amount of the performance bond paid by the Company using certificates of time deposits was \$7,042 thousand. The amount of the performance guarantee issued by the bank to Ji-Shun as the performance bond was \$63,377 thousand.

(IX) Originally, the Jun-An Construction Development Co., Ltd. was the investor, and Titan was the partner. They signed the joint development investment contract for the "Joint Development Project of the land of Muzha Station, Muzha Line (MRT)". Subsequently, Ji-Shun and Jun-An Construction Development Co., Ltd. signed an agreement on the transfer of rights and obligations in the Muzha project in October 2005, It was agreed that the rights and obligations of Jun-An Construction Development Co., Ltd. in relation to the aforementioned joint development investment contract shall be generally assumed by Ji-Shun.

As of December 31, 2021 and 2020, Jun-An Construction Development Co., Ltd. and Ji-Shun had paid a total of \$8,050 thousand for the guarantee and warranty bond.

(X) In February 2020, Titan signed an agreement for the "Urban Renewal Project for the Old Dormitory Area East of Kaohsiung Railway Station" with the Taiwan Railways Administration, Ministry of Transportation and Communications, to carry out urban renewal-related operations within the scope of the unit to be renewed by way of rights transfer. As of December 31, 2021 and 2020, the amount of the performance guarantee issued by the bank as the performance bond was both \$200,000 thousand.

(XI) In April 2014, Ji-Shun and Hsueh-Wen Lu and others agreed that landlords, including Hsueh-Wen Lu, would provide land, and Ji-Shun would provide funds to construct buildings for the "Joint Construction Project of Land in Qingsheng Section, Zhongli District". Ji-Shun and local landlords allocated the rights and interests in the agreed manner.

On December 31, 2020, Ji-Shun had paid a performance bond of \$250,000 thousand to the landlords in accordance with the contract.

The new construction was completed on December 31, 2021 and all landlords refunded the performance bond of \$250,000 thousand in accordance with contract.

(XII) In December 2004, Wan-Da-Tong signed the “Development and Operation Contract for the T9 Land in the Dedicated Area of the Taipei Main Station” (hereinafter referred to as “development and operation contract”) with the Taipei City Government, the Taiwan Railways Administration, Ministry of Transportation and Communications, and the Department of Rapid Transit Systems, Taipei City Government.

In January 2005, Wan-Da-Tong additionally signed the “Contract for Establishment of T9 Land Superficies in the Dedicated Area of the Taipei Main Station” (hereinafter referred to as the Contract for Establishment of Superficies) with the Taipei City Government and the Taiwan Railways Administration, Ministry of Transportation and Communications. The duration of the superficies is 50 years. When the Contract for Establishment of Superficies is terminated, the “Development and Operation Contract will be terminated at the same time.

The term “development and operation” includes investment, design, construction, operation, management, and maintenance of the base, the objects on the ground, and its ancillary facilities and equipment, as well as the design, construction, management, and maintenance of the landscape of the base and the objects on the ground.

The two contracts above stipulate that from 2006 to the expiration of the development and operation contract period, the proportion of shareholders' equity at the end of each fiscal year to Wan-Da-Tong's total assets shall not be less than 15%.

(XIII) Ji-Sheng signed a money trust contract with King's Town Bank Co., Ltd. regarding a residential/office assets financing project for the project for the development of the T9 land in the dedicated area of the Taipei Main Station. In order to fulfill its commitment to the financing bank, Ji-Sheng shall honor its commitment to entering the market and purchasing regular use right in an auction procedure in the case of non-performing loans, and meet its commitment to the financing bank. The contract period is from date of signing the contract to June 30, 2030. However, if Ji-Sheng's loan to King's Town Bank Co., Ltd. has not been repaid by the maturity date, Ji-Sheng shall extend the contract until the completion of the financing settlement. As of December 31, 2021 and 2020, the deposit balance of the trust account in accordance with the agreement was \$68,892 thousand and \$68,948 thousand, respectively.

- (XIV) Rih-Yao and the Taipei City Government signed the “Contract for Establishment of Superficies for the City Government-owned Land, Sub-section 2, Fuxing Section, Daan District, Taipei City” in October 2010. The duration of the superficies is 50 years from the date of signing the contract. As of December 31, 2021 and 2020, the amount of the performance guarantee issued by the bank as the performance bond was both \$50,000 thousand.
- (XV) Rih-Yao has leased buildings to Home Hotel since August 14, 2013. However, Home Hotel stated that due to the impact of the COVID-19 pandemic, there was an imbalance in its operating income and expenditure. Since May 2020, it has not paid rents to Rih-Yao. Both parties failed to negotiate the rent adjustment. Home Hotel has successively filed two applications for provisional disposition, requesting the court to order Rih-Yao to prohibit Rih-Yao from presenting for payment for checks dated between May and July 2020 and August and December 2020. The Taiwan Taipei District Court approved the applications and implemented them accordingly. Rih-Yao has filed an interlocutory appeal against the rulings on the two provisional dispositions above, and the first provisional disposition is currently under trial in the Supreme Court. The second provisional disposition was rejected by the Supreme Court, meaning the second provisional disposition was revoked. However, Home Hotel applied to the bank to cancel the entrustment for rent check payment from August to December 2020. Therefore, Rih-Yao did not get reimbursed. In addition, Home Hotel filed a request to the court for a discretionary reduction of the rents from March to December 2020, and a further request for a discretionary reduction of the rents from January to December 2021, which is currently on trial in the Taiwan Taipei District Court. The Taipei District Court ruled in favor of the Company in all cases, and Home Hotel appealed against the ruling, which was under trial by the Supreme Court and sent back to the High Court pending for trial.
- (XVI) Zhao-Yao signed the “Contract for Establishment of Superficies for the State-owned Non-Public Land” with Northern Region Office, National Property Administration in January 2011, and the duration of the superficies is 50 years from the date of signing the contract.
- (XVII) In October 2012, Rih-Ding Water signed an investment contract on the “Promotion of Private Participation in Build-Operate-Transfer (BOT) Project for Taoyuan City Taoyuan District Sewage System” (hereinafter referred to as the “Investment Contract”) with the Taoyuan City Government. Rih-Ding Water handles matters

related to the construction of sewage system in the Taoyuan area in the BOT model in accordance with the Act for Promotion of Private Participation in Infrastructure Projects. The project license period is 35 years in total from the day following the signing of the Investment Contract.

Rih-Ding Water signed the “Contract for Establishment of Superficies for the Promotion of Private Participation in Build-Operate-Transfer (BOT) Project for Taoyuan City Taoyuan District Sewage System” with the Taoyuan City Government in October 2012. The duration of the superficies is from the completion date of the establishment of the superficies to the maturity date of the license period of the Investment Contract. The scope of Rih-Ding Water’s business during the license period is the construction of a sewage system and the treatment of the sewerage under the project, as well as the operation, maintenance, renewal, and additions of the sewage system.

As of December 31, 2021 and 2020, the performance guaranty issued as a performance bond for Rih-Ding Water was both in the amount of \$228,000 thousand and \$321,000 thousand, respectively, and the amounts of the performance bond paid using the certificates of time deposit were \$2,508 thousand and \$3,344 thousand, respectively.

(XVIII) Rih-Siang signed the “Construction and Operation Contract for the New Taipei City Youth Housing BOT Project” (hereinafter referred to as the “Construction and Operation Contract”) with the Urban and Rural Development Bureau, New Taipei City, in May 2013. Rih-Siang has invested in and constructed the youth housing projects in New Taipei City in the BOT model for Promotion of Private Participation in Infrastructure Projects. The Contract period is 70 years from the date of signing the contract. The Construction and Operation Contract stipulates that Rih-Siang shall be responsible for the planning, design, construction, and operation management of the land for the New Taipei City youth housing BOT project, and for appropriate repair, maintenance, renewal, and additions of relevant facilities and equipment of the New Taipei City youth housing BOT project, while stipulating that at least 70% of the total floor area of the building shall be used as residential units for rental. In addition, Rih-Siang signed the “Contract for Establishment of Superficies for the New Taipei City Youth Housing BOT Project” with the Urban and Rural Development Bureau, New Taipei City, in May 2013. The duration of the superficies

is from the completion date of the establishment of the superficies to the maturity date of the termination of the Construction and Operation Contract.

As of December 31, 2021 and 2020, the performance guaranties issued by the bank as Rih-Siang's performance bonds were both in the amounts of \$50,000 thousand.

- (XIX) Rih-Zuan has signed a power purchase contract with Taiwan Power Company. The contract will be terminated on the day of 20 years from the day when the generator sets are connected in parallel for the first time. Except for the sale of electricity to the Taiwan Power Company in bulk according to the regulations, Rih-Zuan shall not privately sell the electricity generated by its renewable energy system to others.
- (XX) In September 2020, Jing-Ding signed an investment contract on the "Build-Operate-Transfer (BOT) Project of Resource Processing Center in Changhua Coastal Industrial Park by Industrial Development Bureau, Ministry of Economic Affairs" (hereinafter referred to as the investment contract) with the Industrial Development Bureau, Ministry of Economic Affairs. Jing-Ding handles matters related to the construction of the Resource Processing Center in Changhua Coastal Industrial Park in the BOT model in accordance with the Act for Promotion of Private Participation in Infrastructure Projects. The project license period is 24 years from the date of signing this investment contract, that is 2 years for the environmental assessment and the construction period, respectively, and 20 years for the operation period.

35. Capital management

The Group must maintain a large amount of capital to meet the needs for new construction projects and other relevant projects. Therefore, the Group's capital management aims to ensure that it has the necessary financial resources and operating plans to support the needs for working capital, capital expenditures, debt repayment, and dividend payments required for the next operating cycle.

In order to meet the capital needs during the construction period, the Group responds to the needs with loans from financial institutions and its own funds, resulting in a debt ratio that is relatively higher than the general industry level. However, after the completion of the construction project, handover of the project, and repayment of loans from financial institutions, the debt ratio will decrease significantly. In order to avoid the potential market risk arising from the Company's over-reliance on the borrowings from financial institutions, and to appropriately control the Company's interest expenses,

the Group will use financing devices in the capital market in a timely manner to adjust the debt ratio and the proportions of the capital structure.

36. Financial instruments

(I) Fair value—financial instruments not at fair value

The Group’s management believes that the carrying amount of the Group’s financial assets and liabilities measured not at fair value is close to their fair value.

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

1. Fair value hierarchy

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Fund beneficiary certificates	<u>\$ 18,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,329</u>
Financial assets at FVTOCI				
Investment in equity instruments				
- Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,233</u>	<u>\$ 57,233</u>

December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Fund beneficiary certificates	<u>\$ 12,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,940</u>
Financial assets at FVTOCI				
Investment in equity instruments				
- Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,795</u>	<u>\$ 58,795</u>

There were no transfers between Level 1 and Level 2 fair value measurements in 2021 and 2020.

2. Valuation techniques and inputs applied for Level 3 fair value measurement

Domestic unlisted equity investment is based on the asset method to evaluate the total value of individual assets and individual liabilities covered by the target in the valuation to reflect the overall value of a company or business. Significant unobservable inputs include liquidity discounts. When these unobservable inputs decrease, the fair value of such investments will increase.

(III) Categories of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily at FVTPL	\$ 18,329	\$ 12,940
Financial assets at amortized cost		
(Note 1)	17,528,194	16,773,296
Financial assets at FVTOCI		
Investment in equity instruments	57,233	58,795
Other financial assets - current	100	160
<u>Financial liabilities</u>		
Guarantee deposits received (Note 2)	359,196	354,346
Amortized cost (Note 3)	39,648,067	40,125,841

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, investment in debt instruments, notes receivable, trade receivables, other receivables, long-term receivables, and refundable deposits.

Note 2: The balances include guarantee deposits received recognized in other current liabilities and non-current liabilities.

Note 3: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade payable, other payables, long-term borrowings maturing within one year or one business cycle, bonds maturing or exercising repurchase rights within one year or one business cycle, and bonds payable, bonds payable, and long-term borrowings.

(IV) Financial risk management objective and policies

The Group's main financial instruments include investments in equity and debt instruments, trade receivables, trade payable, bonds payable, and borrowings. The Group's financial management department provides services to various business units, coordinates the operations in the domestic and international financial markets, and supervises and manages the financial risks related to the Group's operations through the internal reports on risk exposure analyses based on the degree and breadth of risks. These risks include market risk, credit risk, and liquidity risk.

1. Market risk

The main financial risk for the Group's operating activities are the risk of changes in interest rates. Because the entities in the Group borrow funds at fixed and floating interest rates at the same time, leading to exposure to the

interest rate risk. The Group manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates. The Group regularly evaluates hedging activities to align them with the interest rate view and established risk preferences to ensure that the most cost-effective hedging strategy is adopted.

The carrying amounts of the financial assets and financial liabilities of the Group exposed to the interest rate risk at the end of the reporting period are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Fair value interest rate risk</u>		
Financial assets	\$ 391,522	\$ 433,582
Financial liabilities	10,577,498	9,456,584
<u>Cash flow interest rate risk</u>		
Financial assets	6,195,987	6,251,527
Financial liabilities	24,998,116	26,449,638

Sensitivity analysis

The sensitivity analysis below is determined based on the exposure to the interest rate risk of derivative and non-derivative instruments at the end of the reporting period. For liabilities with floating interest rates, the analysis method is based on the assumption that the amount of liabilities outstanding at the end of the year is outstanding throughout the reporting period. The sensitivity to a 100-basis point change in interest rate is used when reporting the interest rate risk internally to key management personnel and also represents the management's assessment of the reasonably possible change in interest rates.

If the interest rate increased by 100 basis points and all other variables remain unchanged, the Group's net income before tax for 2021 and 2020 would have decreased by \$188,021 thousand and \$201,981 thousand, respectively, mainly because of the variable interest rate of the Group's borrowings.

The Group's sensitivity to interest rates declined during the current period, mainly due to the increase in asset instruments at variable interest rates.

2. Credit risk

The Group's main potential credit risk arise from financial products, such as cash in banks, notes receivable, and trade receivables. The Group's cash is deposited in different financial institutions, and the transaction counterparties are financial institutions with good credit ratings, so it is expected that no

significant credit risk will arise. The Group controls the credit risk exposed to each financial institution, and believes that it believes that there is no significant credit risk of concentration of its cash certain banks. In order to reduce the credit risk of trade receivables, the Group continuously evaluates customers' financial position, and regularly evaluates the possibility of the recovery of trade receivables and provides allowances for bad debts, so the possibility of occurrence of the credit risk is extremely low.

3. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the impact of cash flow fluctuations. The management of the Group monitors the use of the bank financing facilities and ensures compliance with the terms of the borrowing terms.

As of December 31, 2021 and 2020, the undrawn financing facilities (including financing projects) of the Group were \$5,752,625 thousand and \$5,385,952 thousand, respectively.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Group might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank borrowings with a repayment on demand clause were included in the earliest time period in the table below, regardless of the probability of exercise of the right by banks. The maturity analysis of other non-derivative financial liabilities was compiled in accordance with the agreed repayment date.

For interest cash flows paid at floating interest rates, the undiscounted amount of interest is derived from the yield curve at the end of year.

December 31, 2021

	On demand or less than 1 month	1–3 months	3 months to 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 958,503	\$ 467,866	\$ 1,704,246	\$ 996,883	\$ 115,024
Lease liabilities	17,471	34,941	156,092	438,509	2,668,586
Floating interest rate instruments	325,581	1,580,762	7,783,409	9,647,213	5,696,847
Fixed interest rate instruments	847,600	1,522,800	2,122,300	6,107,500	-
	<u>\$ 2,149,155</u>	<u>\$ 3,606,369</u>	<u>\$ 11,766,047</u>	<u>\$ 17,190,105</u>	<u>\$ 8,480,457</u>

Further information on the above analysis of financial liabilities maturity is as follows:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years
Lease liabilities	<u>\$ 208,504</u>	<u>\$ 438,509</u>	<u>\$ 431,185</u>	<u>\$ 428,042</u>	<u>\$ 428,042</u>	<u>\$1,381,317</u>

December 31, 2020

	On demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 1,763,384	\$ 495,911	\$ 1,080,972	\$ 900,334	\$ 142,360
Lease liabilities	18,266	35,920	159,690	569,219	2,514,412
Floating interest rate instruments	707,530	1,103,090	4,272,884	14,592,096	7,257,967
Fixed interest rate instruments	60,000	200,000	-	6,800,000	977,500
	<u>\$ 2,549,180</u>	<u>\$ 1,834,921</u>	<u>\$ 5,513,546</u>	<u>\$ 22,861,649</u>	<u>\$ 10,892,239</u>

Further information on the above analysis of financial liabilities maturity is as follows:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years
Lease liabilities	<u>\$ 213,876</u>	<u>\$ 569,219</u>	<u>\$ 446,465</u>	<u>\$ 428,042</u>	<u>\$ 428,042</u>	<u>\$1,211,863</u>

37. Other Matters

Due to the increasing infected cases of COVID-19, a nationwide Level 3 alert control measures was imposed from May 19 to July 26, 2021. During this period, demand for shopping mall retail and hotel accommodation, etc., sharply decreased, resulting in a decline in the Group's operating revenues of related operating segments. However, after the alert was lowered to Level 2 on July 27, 2021, the domestic pandemic situation slowed down. As the vaccination coverage rate continued to climb, the government gradually launched preferential policies. The operating revenue of the Group's relevant operating segments has recovered to the previous level since fourth quarter of 2021. The Group will continue to observe and keep abreast of relevant risks, and adjust its operating strategies at any time, with a view to minimizing the impact of the pandemic.

In response to the impact of the pandemic, the Group has taken the following actions:

(I) Adjustment to business strategy

Aside from saving costs, in the with the government's revitalization policy to boost the economy, the Group launched promotions at department stores or hotel discounts to increase operating revenue, reducing the impact of the pandemic.

(II) Fundraising strategy

The Group has applied to from Ministry of Economic Affairs for relief loans to facilitate working capital turnover.

(III) Government relief measures

The Group has applied to the government for subsidies such as salary, rent and tax reductions.

38. Additional disclosures

(I) Information on significant transactions and (II) Information on investees:

1. Financing provided to others: Table 1.
2. Endorsements/Guarantees provided: Table 2.
3. Marketable securities held at the end of period: Table 3.
4. Marketable securities acquired or disposed of at costs or prices at least \$300 million or 20% of the paid-in capital: Table 4.
5. Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital: Table 5.
8. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Table 6.
9. Trading in derivative instruments: None.
10. Intercompany relationships and significant intercompany transactions: Table 7.
11. Information on investees: Table 8.

(II) Information on investments in Mainland China

1. Information on any investee in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current income or loss and investment income or loss recognized, carrying amount of the investment at the

end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 9.

2. Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

(III) Information on major shareholders

List of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: Table 10.

39. Segment information

The Group's information reported to the chief operating decision-maker for resource allocation and segment performance assessment focuses on types of goods or services delivered or provided. The Group's reportable segments for 2021 and 2020 are as follows:

Construction: Contracting builders to build buildings for sales or engaging in civil engineering business.

Leasing: Housing and building development and rental.

Shopping mall business: Operating shopping mall business.

Sewage treatment: Operating sewage treatment business.

Others: Transit station business, hotel business, investment business, energy technology services, biotechnology business, and cosmetics business.

(I) Segment revenues and results

The following is an analysis of the Group's revenue and results by the reportable segments.

	2021						Total
	Construction	Leasing	Shopping mall business	Sewage treatment	Others	Adjusted and write-off	
Revenue from external customers	\$2,740,527	\$ 662,892	\$1,103,787	\$1,314,905	\$ 436,986	\$ -	\$6,259,097
Inter-segment revenue	<u>1,127,086</u>	<u>584,464</u>	<u>1,135</u>	<u>-</u>	<u>19,370</u>	<u>(1,732,055)</u>	<u>-</u>
Segment revenue	<u>\$3,867,613</u>	<u>\$1,247,356</u>	<u>\$1,104,922</u>	<u>\$1,314,905</u>	<u>\$ 456,356</u>	<u>)</u>	<u>\$6,259,097</u>
Segment profit or loss	<u>\$ 172,714</u>	<u>\$ 68,686</u>	<u>\$ 64,070</u>	<u>\$ 817,247</u>	<u>(\$ 81,153)</u>	<u>\$ 24,066</u>	\$1,065,630
Interest expenses							(334,377)
General income and expense, net							(451,322)
Profit before income tax							<u>\$ 279,931</u>

	2020						Total
	Construction	Leasing	Shopping mall business	Sewage treatment	Others	Adjusted and write-off	
Revenue from external customers	\$2,112,447	\$ 619,313	\$1,360,686	\$2,209,291	\$ 470,595	\$ -	\$6,772,332
Inter-segment revenue	<u>1,442,329</u>	<u>624,787</u>	<u>846</u>	<u>-</u>	<u>28,632</u>	<u>(2,096,594)</u>	<u>-</u>
Segment revenue	<u>\$3,554,776</u>	<u>\$1,244,100</u>	<u>\$1,361,532</u>	<u>\$2,209,291</u>	<u>\$ 499,227</u>	<u>)</u>	<u>\$6,772,332</u>
Segment profit or loss	<u>\$ 655,976</u>	<u>(\$ 40,344)</u>	<u>\$ 251,912</u>	<u>\$1,099,121</u>	<u>(\$ 100,295)</u>	<u>\$ 70,029</u>	\$1,936,399
Interest expenses							(403,882)
General income and expense, net							(530,859)
Profit before income tax							<u>\$1,001,658</u>

Segment gains refer to the profits earned by each segment, excluding administrative expenses and interest expenses that cannot be attributed. This is the measure reported to the chief operating decision-maker for resource allocation and assessment of segment performance.

(II) Geographical information

The Group's foreign operations are not material.

(III) Information on major customers: None.

Table 1

Radium Life Tech Co., Ltd. and Subsidiaries
Financing Provided to Others

For the Year ended December 31, 2021

(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Aggregate Financing Limit (Note 1)
													Item	Value	
1	Titan Development and Construction Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Other receivables from related parties	Yes	\$ 340,000	\$ 100,000	\$ 50,000	2.6000%-5.3500%	Short-term financing	\$ -	Operating capital	\$ -	None	\$ -	\$ 734,807
1	Titan Development and Construction Co., Ltd.	Radium-Kagaya International Hotel Co., Ltd.	Other receivables from related parties	Yes	20,000	-	-	2.3500%-5.3500%	Short-term financing	-	Operating capital	-	None	-	734,807
1	Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Other receivables from related parties	Yes	190,000	-	-	2.3500%-5.3500%	Short-term financing	-	Operating capital	-	None	-	734,807
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	Other receivables from related parties	Yes	380,000	350,000	200,000	4.4140%-5.3500%	Short-term financing	-	Operating capital	-	None	-	734,807
1	Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Other receivables from related parties	Yes	260,000	50,000	-	4.4140%	Short-term financing	-	Operating capital	-	None	-	734,807
2	Radium Far East Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Other receivables from related parties	Yes	120,000	60,000	60,000	2.9880%-3.2880%	Short-term financing	-	Operating capital	-	None	-	167,691
2	Radium Far East Co., Ltd.	Zhao Yao Enterprise Co., Ltd.	Other receivables from related parties	Yes	10,000	-	-	2.9880%-3.2880%	Short-term financing	-	Operating capital	-	None	-	167,691
2	Radium Far East Co., Ltd.	Rih Yao Development Co., Ltd.	Other receivables from related parties	Yes	10,000	10,000	10,000	2.9880%-3.2880%	Short-term financing	-	Operating capital	-	None	-	167,691
3	Jing-Jan Investment Holdings Co., Ltd.	Radium Life Tech Co., Ltd.	Other receivables from related parties	Yes	500,000	500,000	180,000	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457
3	Jing-Jan Investment Holdings Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Other receivables from related parties	Yes	400,000	300,000	50,000	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457
3	Jing-Jan Investment Holdings Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Other receivables from related parties	Yes	150,000	-	-	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457
3	Jing-Jan Investment Holdings Co., Ltd.	Rih Zuan Green Energy Technology Co., Ltd.	Other receivables from related parties	Yes	30,000	10,000	10,000	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457
3	Jing-Jan Investment Holdings Co., Ltd.	Zhao Yao Enterprise Co., Ltd.	Other receivables from related parties	Yes	100,000	-	-	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457
4	Li Chiang Development Co., Ltd.	Radium Life Tech Co., Ltd.	Other receivables from related parties	Yes	130,000	-	-	2.4500%-2.8500%	Short-term financing	-	Operating capital	-	None	-	190,476
4	Li Chiang Development Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Other receivables from related parties	Yes	80,000	80,000	60,000	2.4500%	Short-term financing	-	Operating capital	-	None	-	190,476
5	Rih Siang Property Management Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Other receivables from related parties	Yes	120,000	-	-	2.6797%-2.7525%	Short-term financing	-	Operating capital	-	None	-	767,562
5	Rih Siang Property Management Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Other receivables from related parties	Yes	310,000	190,000	160,000	2.3291%-2.7525%	Short-term financing	-	Operating capital	-	None	-	767,562
5	Rih Siang Property Management Co., Ltd.	Rih Yao Development Co., Ltd.	Other receivables from related parties	Yes	150,000	100,000	40,000	2.3291%-2.9440%	Short-term financing	-	Operating capital	-	None	-	767,562
6	Ji Sheng Zhi Chan Development Co., Ltd.	Rih Yao Development Co., Ltd.	Other receivables from related parties	Yes	20,000	10,000	10,000	0.1750%-0.3593%	Short-term financing	-	Operating capital	-	None	-	32,460
7	PritBiotech Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Other receivables from related parties	Yes	70,000	40,000	40,000	1.2550%	Short-term financing	-	Operating capital	-	None	-	61,433

Note 1: The Company's and its subsidiaries' cumulative balance of financing provided and the total amount of financing provided to the same borrower shall not exceed 40% of the net worth of each company as stated in most recent financial statements verified by CPAs.

Note 2: The transactions above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Table 2

Radium Life Tech Co., Ltd. and Subsidiaries
Endorsements/Guarantees Provided
For the Year ended December 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China
		Company name	Relationship										
0	Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	Subsidiary in which at least 50% of equity is held	\$ 33,498,999	\$ 1,469,000	\$ 860,000	\$ 860,000	\$ 300,000	7.70%	\$ 66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Rih Yao Development Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	904,250	904,250	904,250	-	8.10%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Xin Xiu Ge Hotel Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	88,000	88,000	88,000	-	0.79%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Sub-subsidiary company in which at least 50% of equity is held	33,498,999	17,030,000	9,820,000	9,820,000	-	87.94%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Rih Siang Property Management Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	1,982,350	1,826,000	1,826,000	-	16.35%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Zhao Yao Enterprise Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	1,836,000	1,836,000	1,836,000	-	16.44%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	2,297,865	1,903,215	1,903,215	-	17.04%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Radium-Kagaya International Hotel Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	130,000	50,000	50,000	-	0.45%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Subsidiary in which at least 50% of consolidated equity is held	33,498,999	475,260	475,260	475,260	-	4.26%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Rih Zuan Green Energy Technology Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	58,000	47,700	47,700	-	0.43%	66,997,998	Y	N	N
1	Ji Shun Life Tech Co., Ltd.	Ji Sheng Zih Chan Development Co., Ltd.	Subsidiary in which at least 50% of equity is held	2,527,880	268,000	134,000	134,000	81,711	15.90%	5,055,759	N	N	N
2	Xin Xiu Ge Hotel Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company in which at least 50% of equity is held	123,643	120,000	120,000	120,000	302	291.16%	247,286	N	Y	N
3	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company in which at least 50% of equity is held	5,511,052	1,066,000	186,000	186,000	186,000	10.13%	11,022,104	N	Y	N
4	Jing-Jan Investment Holdings Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company in which at least 50% of equity is held	16,998,425	3,135,000	2,880,000	2,880,000	2,880,000	50.83%	33,996,849	N	Y	N
5	Li Chiang Development Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company in which at least 50% of equity is held	1,428,571	50,000	-	-	-	-	2,857,142	N	Y	N

Note 1: The amount of the Company's or its subsidiaries' endorsements/guarantees to a single enterprise is limited to 3 times the net worth of each company as stated in most recent financial statements verified by CPAs.

Note 2: The total amount of endorsements/guarantees by the Company or its subsidiaries is limited to not more than 6 times the net worth of each company as stated in most recent financial statements verified by CPAs.

Table 3

Radium Life Tech Co., Ltd. and Subsidiaries
Marketable Securities Held

December 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with Securities Issuer	Financial Statement Account	Ending Balance			Note
				Number of Shares or Units (in Thousands)	Carrying Amount	Percentage of Ownership (%)	
Radium Life Tech Co., Ltd.	<u>Stock</u> Linkou Recreation Enterprise Co., Ltd.	None	Financial assets at FVTOCI - Non-current	-	\$ 5,100	-	\$ 5,100
Titan Development and Construction Co., Ltd.	<u>Stock</u> Xantia Corporation	None	Financial assets at FVTOCI - Non-current	55	-	0.07%	-
PritBiotech Co., Ltd.	<u>Stock</u> Tsinghua Life Technology Co., Ltd.	None	Financial assets at FVTOCI - Non-current	3	139	2.50%	139
PritBiotech Co., Ltd.	<u>Stock</u> Deyang Biotechnology Venture Capital Co., Ltd.	None	Financial assets at FVTOCI - Non-current	118	1,434	3.70%	1,434
PritBiotech Co., Ltd.	<u>Stock</u> Shih Jui Biotech Corp. Ltd.	None	Financial assets at FVTOCI - Non-current	50	-	16.67%	-
Radium Far East Co., Ltd.	<u>Stock</u> Mega Growth Venture Capital Co., Ltd.	None	Financial assets at FVTOCI - Non-current	5,000	50,560	3.94%	50,560
Ji Shun Life Tech Co., Ltd.	<u>Fund</u> Mega Danish Covered Mortgage Bond Index Fund	None	Financial assets at FVTPL - current	500	4,706	-	4,706
Radium Life Tech Co., Ltd.	<u>Fund</u> TCB US Short Duration High Yield Bond Fund	None	Financial assets at FVTPL - current	300	2,997	-	2,997
Radium Life Tech Co., Ltd.	<u>Fund</u> Taishin ESG Emerging Markets Bond Fund	None	Financial assets at FVTPL - current	300	2,752	-	2,752
Radium Life Tech Co., Ltd.	<u>Fund</u> KGI ESG Sustainable Emerging Market Bond Fund	None	Financial assets at FVTPL - current	300	2,944	-	2,944
Jing-Jan Retail Business Co., Ltd.	<u>Fund</u> Taiwan Business Bank Eastspring Investments India Bond Fund	None	Financial assets at FVTPL - current	500	4,930	-	4,930

Note 1: Refer to Tables 8 and 9 for the information on subsidiaries and associates.

Table 4

Radium Life Tech Co., Ltd. and Subsidiaries
 Marketable Securities Acquired or Disposed of at Costs or Prices at Least NT\$300 Million or 20% of the Paid-in Capital
 For the Year ended December 31, 2021
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal		Others		Ending Balance	
					Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount
Radium Life Tech Co., Ltd.	Stock Rih Ding Circular Economy Investment Holding Co., Ltd.	Investments accounted for the equity method	Rih Ding Circular Economy Investment Holding Co., Ltd.	Subsidiaries	63,500	\$5,713,974	4,800	\$450,336 (Note 2)	-	\$ -	-	\$135,556 (Note 3)	68,300	\$6,299,866

Note 1: The securities mentioned in this table refer to stocks, bills, beneficiary certificates, and securities derived from the items above.

Note 2: It is the issuance of ordinary shares in the current period.

Note 3: It is the share of comprehensive income recognized by the Company using the equity method of \$690,556 thousand and cash dividends of \$555,000 thousand.

Note 4: The investments under equity method above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Table 5

Radium Life Tech Co., Ltd. and Subsidiaries
 Total Purchases from or Sales to Related Parties Amounting to at Least NT\$100 Million or 20% of the Paid-in Capital
 For the Year ended December 31, 2021
 (In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details (Note 1)		Abnormal Transaction Unit Price	Abnormal Transaction Payment Terms	Note/Trade receivables (Payable)		Note
			Purchase/Sale	Amount			% of Total	Ending Balance	
Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	Parent company	Construction costs	\$ 155,227	100.00%	As agreed in contract	-	(\$ 318,726) (92.08%)	
Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Associate	Sales	(473,056)	(37.88%)	As agreed in contract	-	115,790 48.40%	
Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Associate	Sales	(382,295)	(30.62%)	As agreed in contract	-	50,643 21.17%	
Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company	Sales	(271,735)	(21.76%)	As agreed in contract	-	72,786 30.43%	
Wan Da Tong Enterprise Co., Ltd.	Jing-Jan Retail Business Co., Ltd.	Associate	Sales	(498,296)	(61.61%)	As agreed in contract	-	30 4.39%	
Rih Ding Water Enterprise Co., Ltd.	Titan Development and Construction Co., Ltd.	Associate	Construction costs	699,103	95.61%	As agreed in contract	-	(442,110) (89.29%)	
Ji Shun Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	Associate	Construction costs	467,252	100.00%	As agreed in contract	-	(157,322) (97.03%)	
Ding Sheng Green Energy Technology Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Associate	Sales	(123,771)	(100.00%)	As agreed in contract	-	31,426 100.00%	

Note 1: Since there was no relevant identical transaction to follow for the unit price of purchases from and sales to related parties, the transaction conditions were negotiated and determined by both parties.

Note 2: The transactions above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Table 6

Radium Life Tech Co., Ltd. and Subsidiaries
 Receivables from Related Parties Amounting to at Least NT\$100 million or 20% of the Paid-in Capital
 December 31, 2021
 (In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company	\$ 200,000	-	\$ -	-	\$ -	As of January 28, 2022 (Note 1)	
Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Associate	115,790	1.93	-	62,084	-	As of January 28, 2022	
Rih Siang Property Management Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Associate	160,000	-	-	-	-	As of January 28, 2022 (Note 1)	
Jing-Jan Investment Holdings Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company	180,000	-	-	-	-	As of January 28, 2022 (Note 1)	

Note 1: Other receivables.

Note 2: The transactions above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Table 7

Radium Life Tech Co., Ltd. and Subsidiaries
Intercompany Relationships and Significant Intercompany Transactions
For the Year ended December 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			% of Consolidated Revenue or Total Assets (Note 3)
				Financial Statement Accounts	Amount	Payment Terms	
0	Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	1	Property, plant and equipment	\$ 88,970	General transaction conditions	0.16%
0	Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	1	Buildings and land held for sale	112,635	General transaction conditions	0.20%
0	Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	1	Completed Investment Properties	87,622	General transaction conditions	0.16%
0	Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	1	Property under development	160,644	General transaction conditions	0.29%
0	Radium Life Tech Co., Ltd.	Jing-Jan Investment Holdings Co., Ltd.	1	Other payables to related parties	180,000	General transaction conditions	0.32%
0	Radium Life Tech Co., Ltd.	Radium-Kagaya International Hotel Co., Ltd.	1	Rental income	60,000	General transaction conditions	0.96%
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	2	Trade receivables from related parties	72,786	General transaction conditions	0.13%
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	2	Other receivables from related parties	200,000	General transaction conditions	0.36%
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	2	Contract assets - current	245,940	General transaction conditions	0.44%
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	2	Operating revenue	271,735	General transaction conditions	4.34%
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	2	Operating costs	264,433	General transaction conditions	4.22%
1	Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	3	Operating revenue	473,056	General transaction conditions	7.56%
1	Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	3	Operating costs	461,377	General transaction conditions	7.37%
1	Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	3	Trade receivables from related parties	115,790	General transaction conditions	0.21%
1	Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	3	Contract assets - current	326,320	General transaction conditions	0.58%
1	Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	3	Contract assets - current	106,679	General transaction conditions	0.19%
1	Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	3	Trade receivables from related parties	50,643	General transaction conditions	0.09%
1	Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	3	Operating revenue	382,295	General transaction conditions	6.11%
1	Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	3	Operating costs	377,657	General transaction conditions	6.03%

(Continued)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			% of Consolidated Revenue or Total Assets (Note 3)
				Financial Statement Accounts	Amount	Payment Terms	
1	Titan Development and Construction Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	3	Other receivables from related parties	\$ 50,000	General transaction conditions	0.09%
2	Wan Da Tong Enterprise Co., Ltd.	Radium Life Tech Co., Ltd.	2	Property, plant and equipment	121,130	General transaction conditions	0.22%
2	Wan Da Tong Enterprise Co., Ltd.	Titan Development and Construction Co., Ltd.	3	Property, plant and equipment	106,002	General transaction conditions	0.19%
2	Wan Da Tong Enterprise Co., Ltd.	Jing-Jan Retail Business Co., Ltd.	3	Rental income	498,296	General transaction conditions	7.96%
2	Wan Da Tong Enterprise Co., Ltd.	Radium Far East Co., Ltd.	3	Other payables to related parties	60,000	General transaction conditions	0.11%
3	Rih Siang Property Management Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	3	Other receivables from related parties	160,000	General transaction conditions	0.29%
3	Rih Siang Property Management Co., Ltd.	Titan Development and Construction Co., Ltd.	3	Completed Investment Properties	274,809	General transaction conditions	0.49%
4	Ji Shun Life Tech Co., Ltd.	Jing-Jan Investment Holdings Co., Ltd.	3	Other payables to related parties	50,000	General transaction conditions	0.09%
4	Ji Shun Life Tech Co., Ltd.	Li Chiang Development Co., Ltd.	3	Other payables to related parties	60,000	General transaction conditions	0.11%
5	Radium-Kagaya International Hotel Co., Ltd.	Radium Life Tech Co., Ltd.	2	Lease liabilities to related parties	140,876	General transaction conditions	0.25%
6	Jing-Jan Retail Business Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	3	Lease liabilities to related parties	3,323,026	General transaction conditions	5.94%
6	Jing-Jan Retail Business Co., Ltd.	Radium Life Tech Co., Ltd.	2	Investment properties	225,402	General transaction conditions	0.40%
6	Jing-Jan Retail Business Co., Ltd.	Radium Life Tech Co., Ltd.	2	Property, plant and equipment	902,144	General transaction conditions	1.61%
7	Ding Sheng Green Energy Technology Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	3	Operating revenue	123,771	General transaction conditions	1.98%

Note 1: The information on transactions between the parent company and its subsidiaries shall be indicated in the No. column as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded sequentially beginning from "1" by each individual company.

Note 2: There are three types of relations with the transaction company, just enter the code:

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

Note 3: Regarding the proportion of transaction amount to the total consolidated revenue or assets, if it is recognized in the balance sheet account, it is shown with the ending balance as a percentage of the total consolidated assets; if it is in the profit or loss account, it is shown with the cumulative amount throughout the period as a percentage of the consolidated total revenue.

Note 4: Significant transactions between the parent and subsidiaries with an amount of \$50 million or more are listed in this table.

Note 5: The transactions above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Table 8

Radium Life Tech Co., Ltd. and Subsidiaries

Information on Investees

For the Year ended December 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Number of Shares (in Thousands)	As of December 31, 2021		Share of profit (loss)	Note
				December 31, 2021	December 31, 2020		Percentage (%)	Carrying Amount		
Radium Life Tech Co., Ltd.	Ji Shun Life Tech Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	\$ 318,000	\$ 318,000	70,000	100.00%	\$ 126,988	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Li Chiang Development Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	1,000,000	1,000,000	100,000	100.00%	(43,990)	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Rih Yao Development Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	950,000	950,000	95,000	100.00%	(65,286)	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Radium Far East Co., Ltd.	5F-2, No. 270, Section 4, Zhongxiao East Road, Taipei City	Housing and Building Development and Rental	1,113,455	1,113,455	38,773	99.93%	(18,979)	Subsidiary (Notes 1 & 2)	
Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	5F-2, No. 270, Section 4, Zhongxiao East Road, Taipei City	Civil engineering and construction	968,650	968,650	120,000	100.00%	34,315	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Development of the T9 land in the dedicated area of the Taipei Main Station	1,248,666	1,248,666	148,000	28.35%	219,934	Subsidiary (Notes 1 & 3)	
Radium Life Tech Co., Ltd.	Radium-Kagaya International Hotel Co., Ltd.	No. 236, Guangming Road, Beitou District, Taipei City, Taiwan	Hot Spring Hotel	953,363	953,363	15,000	100.00%	(755)	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Zhao Yao Enterprise Co., Ltd.	3F-11F, No. 23, Lane 27, Section 4, Ren'ai Road, Daan District, Taipei City; No. 25, 3F-11F, No. 25, Lane 27, Section 4, Ren'ai Road, Daan District, Taipei City; 2F-14F, No. 237 Lane 27, Section 4, Ren'ai Road, Daan District, Taipei City	Housing and Building Development and Rental	2,350,000	2,350,000	235,000	100.00%	(41,701)	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	CLEVER BASE INVESTMENTS LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Asia, Samoa	Investment	-	USD 2,080	-	-	(324)	Subsidiary (Notes 1 & 7)	
Radium Life Tech Co., Ltd.	Xin Xiu Ge Hotel Co., Ltd.	No. 238, Guangming Road, Beitou District, Taipei City, Taiwan	Hotel	421,500	421,500	125	100.00%	(3,791)	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Jing-Jan Investment Holdings Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Investment	3,039,339	3,039,339	91,590	61.06%	200,954	Subsidiary (Notes 1 & 10)	
Radium Life Tech Co., Ltd.	Rih Siang Property Management Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	2,300,000	2,300,000	230,000	100.00%	(13,395)	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Rih Zhan Green Energy Technology Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Taipei City	Energy Technical Services	40,500	40,500	4,050	90.00%	2,678	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Wan Tong Digital Technology Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Taipei City	Retail	-	27,000	-	-	(1,202)	Subsidiary (Notes 1 & 8)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Share of profit (loss)	Note
				December 31, 2021	December 31, 2020	Number of Shares (in Thousands)	Percentage (%)	Carrying Amount		
Radium Life Tech Co., Ltd.	Rih Ding Circular Economy Investment Holding Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Datong District, Taipei City	Investment	\$ 5,547,533	\$ 5,097,197	\$ 68,300	100.00%	\$ 6,299,866	\$ 690,555	Subsidiary (Note 1)
Radium Life Tech Co., Ltd.	Jing Ding Green Energy Technology Co., Ltd.	No. 76, Pinghe 1st Street, Changhua City, Changhua County	Energy Technical Services	7,400	7,400	740	37.00%	6,871	(888)	Subsidiary (Note 1)
Titan Development and Construction Co., Ltd.	Jing-Jan Investment Holdings Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Investment	1,832,017	1,832,017	55,195	36.80%	2,085,140	200,954	Subsidiary (Notes 1 & 11)
Ji Shun Life Tech Co., Ltd.	Ji Sheng Zih Chan Development Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	87,000	87,000	8,700	100.00%	81,149	(562)	Sub-subsubsidiary (Note 1)
Ji Shun Life Tech Co., Ltd.	Jing-Yang Apartment Building Management and Maintenance Co., Ltd.	10F-1, No. 106, Section 6, Roosevelt Road, Wenshan District, Taipei City	Condominium buildings management service	9,800	9,800	980	49.00%	13,034	6,559	(Note 1)
Jing-Jan Investment Holdings Co., Ltd.	Jing-Jan Retail Business Co., Ltd.	No. 1, Section 1, Chengde Road, Taipei City	Shopping mall business	509,201	509,201	45,001	75.00%	762,309	55,979	Sub-subsubsidiary (Note 1)
Jing-Jan Investment Holdings Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Development of the T9 land in the dedicated area of the Taipei Main Station	4,295,288	4,295,288	374,015	71.65%	4,460,536	219,934	Subsidiary (Note 1)
Jing-Jan Retail Business Co., Ltd.	Jing-Jan Digital Square Co., Ltd.	4F No. 1, Section 1, Chengde Road, Datong District, Taipei City	Retail	50,000	50,000	2,000	100.00%	18,991	1,860	Sub-subsubsidiary (Note 1)
CLEVER BASE INVESTMENTS LIMITED	Rih Ding Investments Limited	15/F, BOC Group Life Assurance Tower, 136 Des Voeux Road Central, Hong Kong	Investment	-	USD 30	-	-	-	-	Sub-subsubsidiary (Notes 1 & 6)
Radium Far East Co., Ltd.	PritBiotech Co., Ltd.	3F-1, No.50, Lane 462, Gongyi Road, Zhunan Town, Miaoli County	Biotechnology and cosmetic manufacturing	90,000	90,000	9,000	37.31%	69,360	(24,664)	Sub-subsubsidiary (Notes 1 & 9)
Rih Ding Circular Economy Investment Holding Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	No. 177, Section 1, Fuhua Road, Luzhu District, Taoyuan City	Investment in and construction and operation of public works construction	5,027,699	5,027,699	520,740	100.00%	6,229,105	682,000	Sub-subsubsidiary (Note 1)
Rih Ding Circular Economy Investment Holding Co., Ltd.	Ding Sheng Green Energy Technology Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Taipei City	Energy Technical Services	49,913	49,913	5,000	100.00%	61,909	9,434	Sub-subsubsidiary (Note 1)
Ding Sheng Green Energy Technology Co., Ltd.	Jing Ding Green Energy Technology Co., Ltd.	No. 76, Pinghe 1st Street, Changhua City, Changhua County	Energy Technical Services	6,600	6,600	660	33.00%	6,128	(888)	Subsidiary (Note 1)

Note 1: It is calculated based on the investees' financial statements audited by CPAs for the same period and the Company's shareholding ratio.

Note 2: The accumulated impairment of \$130,802 thousand has not yet been deducted from the carrying amount.

Note 3: The unrealized gains between associates of \$158,972 thousand has not yet been deducted from the carrying amount.

Note 4: Information on investees in mainland China is detailed in Table 9.

Note 5: Except for Jing-Yang Apartment Building Management and Maintenance Co., Ltd., the securities held above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Note 6: The deregistration of Rih-Ding Investments Limited was completed on February 25, 2021.

Note 7: The deregistration of Clever Base was completed on June 8, 2021.

Note 8: Wan Tong Digital registered for its dissolution on April 26, 2021 and obtained a letter of liquidation letter from the court on January 25, 2022.

Note 9: The accumulated impairment of \$12,460 thousand has not yet been deducted from the carrying amount.

Note 10: The unrealized gains between associates of \$1,127,546 thousand has not yet been deducted from the carrying amount.

Note 11: The unrealized gains between associates of \$139,118 thousand has not yet been deducted from the carrying amount.

Table 9

Radium Life Tech Co., Ltd. and Subsidiaries
Information on investments in Mainland China
For the Year ended December 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-In Capital	Method of Investments	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gains (Losses) (Note 2)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outward	Inward						
LiJiang Business Consulting (Shanghai) Limited.	Business and Corporate Management Consulting Services	\$ 52,288 (US\$1,700,000)	Note 1(1)	\$ 52,288 (US\$1,700,000)	\$ -	\$ -	\$ 52,288 (US\$1,700,000)	(\$ 439)	100%	(\$ 439) (2)B	\$ 2,497	\$ -

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
NT\$56,848 (US\$1,840,000) (Note 6)	NT\$51,208 (US\$1,850,000) (Note 4)	\$ 6,699,800 (Note 5)

Note 1: Investment methods are divided into the following three types, just enter the code:

- (1) Direct investment in mainland China.
- (2) Indirect investment in mainland China through third-region companies.
- (3) Other methods.

Note 2: In the field "Investment Gains/Losses Recognized for Current Period"

- (1) If it is under preparation and there is no investment gain or loss, it shall be indicated.
- (2) The recognition basis of investment gains and losses is divided into the following three types, which shall be indicated.
 - A. Financial statements audited and attested by any international accounting firms with partnership with any accounting firm of the Republic of China.
 - B. Financial statements audited and attested by CPAs appointed by the parent company in Taiwan.
 - C. Others.

Note 3: The relevant figures in this table shall be presented in New Taiwan dollars.

Note 4: The exchange rate is based on the average spot buying/selling exchange rate of the Bank of Taiwan on December 31, 2021. In addition, the limit approved by the Investment Commission is in foreign currency, and the investment amount had not exceeded the limit as of the current period.

Note 5: It is 60% of the net equity of the Company.

Note 6: The deregistration of Wan-Da-Tong (Xiamen) Enterprise Co., Ltd. was completed on November 22, 2019, and its registered capital of US\$140,000 was not remitted back to Taiwan due to losses.

Table 10

Radium Life Tech Co., Ltd.
Information on Major Shareholders
December 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Rong Shian Lin	110,524,167	12.27%
CTBC Bank Co., Ltd. In custody for Verivia PCC	84,031,547	9.33%
Golden Century Co., Ltd.	58,223,051	6.46%
Ding-Sheng Digital Life Co., Ltd.	49,260,000	5.47%

Note 1: The major shareholders in this table are shareholders holding at least 5% of the ordinary and preference shares (including treasury shares) with dematerialized registration and delivery completed on the last business day of the quarter calculated by the Taiwan Depository & Clearing Corporation. The share capital recorded in the Company's consolidated financial statements and the number of shares actually delivered by the Company with the dematerialized registration completed may differ due to different calculation bases.

Note 2: For the information above, where a shareholder transfers the shares to a trust, the trustor's individual account opened by the trustee shall be disclosed. As for the insider declaration of the ownership percentage over 10% in accordance with the Securities and Exchange Act, including the shares on hand and those being put in the trust, and the right to use the trust asset, please refer to the declaration information on MOPS.

Radium Life Tech Co., Ltd.

Parent Company Only Financial
Statements for the
Years Ended December 31,
2021 and 2020 and Independent
Auditors' Report

Address: 14F, No. 209, Section 1, Civic Boulevard,
Datong District, Taipei City
TEL: (02)77338888

Independent Auditor's Report

The Board of Directors and Shareholders
Radium Life Tech Co., Ltd.,

Opinion

We have audited the accompanying parent company only balance sheet of Radium Life Tech Co., Ltd. (the "Company") as of December 31, 2021 and 2020, and the relevant parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2021 are stated as follows:

Valuation of property inventories

As shown in Note 12 to the parent company only financial statements, as of December 31, 2021, the property in the inventory category of the parent company only balance sheet (including property under development, property to be developed, and buildings and land held for sale) totaled NT\$6,754,823 thousand, accounting for 20% of the parent company only total assets; therefore, it is material. As the allowance for inventory valuation loss of relevant property involves significant judgments on accounting estimates and other important judgments by the management, the relevant details are as described in Note 5 to the parent company only financial statements, so we have listed it as a key audit matter.

The audit procedures performed by us for the valuation of property inventories include:

1. The amount of property under development recognized is NT\$1,224,506 thousand, accounting for about 18% of the total inventories. We have obtained relevant information on the estimated remaining cost of the property under development, and sampled the basis for such estimates; calculated the expected total revenue based on the recent transaction prices near the property under development from a selling price disclosure website, and compared them with the sum of the property under development and the estimated remaining investment costs recognized in the account.
2. The portion of the property to be developed and the buildings and land held for sale recognized is NT\$5,530,317 thousand, which accounts for about 82% of the total inventories, and we have obtained the net realizable value and impairment assessment data calculated by the Company for the above-mentioned property inventories and reviewed whether the assessment results were reasonable.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 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. Misstatement 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 the users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 the management.
4. Conclude on the appropriateness of the 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 parent company only 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 auditor's 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 parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicated 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 determined those matters that were of most significance in the audit of parent company only financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations 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 Yang, ChingCheng and Fang, Alice.

Yang, ChingCheng

Fang, Alice

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 29, 2022

Notice to Readers

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

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

Radium Life Tech Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
ASSETS				
Current assets				
Cash and cash equivalents (Notes 4 & 6)	\$ 429,895	1	\$ 1,267,661	4
Financial assets at fair value through profit or loss - current (Notes 4 & 7)	8,694	-	2,969	-
Financial assets at amortized cost - current (Notes 4, 9, 21 & 29)	662,511	2	8,424	-
Notes receivable, net (Notes 4, 10 & 21)	47	-	-	-
Trade receivables, net (Notes 4, 10, 21 & 24)	28,672	-	30,426	-
Trade receivables from related parties, net (Notes 4 & 28)	5,401	-	5,250	-
Finance lease receivables, net (Notes 4 & 11)	27,282	-	22,193	-
Other receivables (Note 4)	12,420	-	11,756	-
Other receivables from related parties (Note 28)	446	-	275	-
Current tax assets (Note 4)	-	-	3,761	-
Inventories (Notes 4, 5, 12, 21, 28 & 29)	6,754,823	20	7,529,522	21
Prepayments (Notes 13 & 29)	143,604	-	136,396	-
Refundable deposits - current (Note 21)	225,387	1	190,854	1
Other current assets (Note 13)	5,093	-	4,081	-
Incremental costs of obtaining contracts (Notes 21 & 24)	31,598	-	-	-
Total current assets	<u>8,335,873</u>	<u>24</u>	<u>9,213,568</u>	<u>26</u>
Non-current assets				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 & 8)	5,100	-	5,100	-
Financial assets at amortized cost - non-current (Notes 4, 9 & 29)	1,679,170	5	2,248,075	6
Investments accounted for using equity method (Notes 4, 14 & 29)	17,844,056	52	17,392,981	49
Property, plant and equipment (Notes 4, 15 & 29)	109,151	-	109,474	-
Right-of-use assets (Notes 4 and 16)	24,443	-	3,441	-
Investment properties, net (Notes 4, 17 & 29)	6,387,634	19	6,631,013	19
Intangible assets (Note 4)	13,521	-	7,186	-
Refundable deposits - non-current	20,875	-	21,001	-
Finance lease receivables - non-current, net (Notes 4 & 11)	20,720	-	45,284	-
Total non-current assets	<u>26,104,670</u>	<u>76</u>	<u>26,463,555</u>	<u>74</u>
TOTAL	<u>\$ 34,440,543</u>	<u>100</u>	<u>\$ 35,677,123</u>	<u>100</u>
LIABILITIES AND EQUITY				
Current liabilities (Note 21)				
Short-term borrowings (Notes 18 & 29)	\$ 1,415,564	4	\$ 2,494,605	7
Short-term bills payable (Notes 18 & 29)	1,364,604	4	-	-
Contract liabilities - current (Notes 4, 21, 24 & 28)	228,169	1	51,569	-
Notes payable	3,317	-	-	-
Trade payables	24,081	-	42,135	-
Trade payables to related parties (Note 28)	318,726	1	306,597	1
Other payables	1,368,601	4	1,517,572	4
Other payables to related parties (Note 28)	381,288	1	630,568	2
Current tax liabilities	32	-	863	-
Lease liabilities - current (Notes 4, 16 & 28)	115,744	-	104,663	1
Current portion of bonds payable (Notes 19 & 29)	1,500,000	5	-	-
Current portion of long-term borrowings (Notes 18, 21 & 29)	6,193,247	18	1,434,443	4
Other current liabilities (Note 21)	45,208	-	56,079	-
Total current liabilities	<u>12,958,581</u>	<u>38</u>	<u>6,639,094</u>	<u>19</u>
Non-current liabilities				
Bonds payable (Note 19)	4,500,000	13	5,500,000	15
Long-term borrowings (Notes 18 & 29)	5,455,097	16	11,379,405	32
Provisions - non-current (Notes 4 & 20)	255,642	1	257,370	1
Lease liabilities - non-current (Notes 4, 16 & 28)	78,394	-	172,011	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	7,243	-	8,660	-
Guarantee deposits received	19,253	-	17,446	-
Total non-current liabilities	<u>10,315,629</u>	<u>30</u>	<u>17,334,892</u>	<u>48</u>
Total liabilities	<u>23,274,210</u>	<u>68</u>	<u>23,973,986</u>	<u>67</u>
Equity (Note 23)				
Share capital				
Ordinary shares	9,000,946	26	9,000,946	25
Capital surplus	1,307,843	4	1,307,843	4
Retained earnings				
Legal reserve	282,922	1	220,659	1
Special reserve	1,389	-	3,334	-
Unappropriated earnings	613,530	1	1,170,269	3
Total retained earnings	<u>897,841</u>	<u>2</u>	<u>1,394,262</u>	<u>4</u>
Total other equity	(1,545)	-	86	-
Treasury shares	(38,752)	-	-	-
Total equity	<u>11,166,333</u>	<u>32</u>	<u>11,703,137</u>	<u>33</u>
TOTAL	<u>\$ 34,440,543</u>	<u>100</u>	<u>\$ 35,677,123</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

Radium Life Tech Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
TOTAL OPERATION REVENUE (Notes 4, 24 & 28)	\$ 1,423,108	100	\$ 2,115,392	100
TOTAL OPERATING COSTS (Notes 4, 12 & 25)	(1,175,761)	(83)	(1,735,482)	(82)
GROSS PROFIT	<u>247,347</u>	<u>17</u>	<u>379,910</u>	<u>18</u>
OPERATING EXPENSES (Note 25 & 28)				
Selling and marketing expenses	(168,844)	(12)	(310,674)	(15)
General and administrative expenses	(581,811)	(41)	(681,612)	(32)
Total operating expenses	(750,655)	(53)	(992,286)	(47)
LOSS FROM OPERATIONS	(503,308)	(36)	(612,376)	(29)
NON-OPERATING INCOME AND EXPENSES (Notes 25 & 28)				
Interest income	2,976	-	3,532	-
Other income	38,435	3	713,404	34
Other gains and losses	(31,490)	(2)	(50,550)	(2)
Finance costs	(352,811)	(25)	(406,979)	(19)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	<u>908,668</u>	<u>64</u>	<u>996,072</u>	<u>47</u>
Total non-operating income and expenses	<u>565,778</u>	<u>40</u>	<u>1,255,479</u>	<u>60</u>
PROFIT BEFORE INCOME TAX	62,470	4	643,103	31
INCOME TAX EXPENSE (Notes 4 & 26)	(2,127)	-	(20,415)	(1)
NET PROFIT FOR THE YEAR	<u>60,343</u>	<u>4</u>	<u>622,688</u>	<u>30</u>
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	924	-	185	-

(Continued)

	2021		2020	
	Amount	%	Amount	%
Remeasurement of defined benefit plans, associates and joint ventures accounted for using equity method	\$ 370	-	(\$ 247)	-
Unrealized gain/(loss) on investments in equity instruments measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	(1,673)	-	3,365	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating the financial statements of foreign operations	<u>42</u>	<u>-</u>	<u>55</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	(<u>337</u>)	<u>-</u>	<u>3,358</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 60,006</u>	<u>4</u>	<u>\$ 626,046</u>	<u>30</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 0.07</u>		<u>\$ 0.69</u>	
Diluted	<u>\$ 0.07</u>		<u>\$ 0.69</u>	

The accompanying notes are an integral part of the parent company only financial statements.

Radium Life Tech Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	Share Capital		Retained Earnings				Other Equity			Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain/(loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares		
BALANCE AT JANUARY 1, 2020	\$ 9,123,076	\$ 1,299,873	\$ 179,986	\$ 4,360	\$ 1,134,675	(\$ 1,444)	(\$ 1,890)	\$ -	\$ 11,738,636	
Appropriation of 2019 earnings	-	-	40,673	-	(40,673)	-	-	-	-	
Legal reserve appropriated	-	-	-	-	(547,385)	-	-	-	(547,385)	
Cash dividends distributed by the company	-	-	-	(1,026)	1,026	-	-	-	-	
Reversal of special reserve	-	-	-	-	622,688	-	-	-	622,688	
Net income in 2020	-	-	-	-	-	-	-	-	-	
Other comprehensive income in 2020, net of income tax	-	-	-	-	(62)	55	3,365	-	3,358	
Total comprehensive income in 2020	-	-	-	-	622,626	55	3,365	-	626,046	
Retirement of treasury share	(122,130)	7,970	-	-	-	-	-	-	(114,160)	
BALANCE AT DECEMBER 31, 2020	9,000,946	1,307,843	220,659	3,334	1,170,269	(1,389)	1,475	-	11,703,137	
Appropriation of 2020 earnings	-	-	62,263	-	(62,263)	-	-	-	-	
Legal reserve appropriated	-	-	-	-	(558,058)	-	-	-	(558,058)	
Cash dividends distributed by the company	-	-	-	(1,945)	1,945	-	-	-	-	
Reversal of special reserve	-	-	-	-	60,343	-	-	-	60,343	
Net income in 2021	-	-	-	-	-	-	-	-	-	
Other comprehensive loss in 2021, net of income tax	-	-	-	-	1,294	42	(1,673)	-	(337)	
Total comprehensive income in 2021	-	-	-	-	61,637	42	(1,673)	-	60,006	
Buy-back of ordinary shares	-	-	-	-	-	-	-	(38,752)	(38,752)	
BALANCE AT DECEMBER 31, 2021	\$ 9,000,946	\$ 1,307,843	\$ 282,922	\$ 1,389	\$ 613,530	(\$ 1,347)	(\$ 198)	(\$ 38,752)	\$ 11,166,333	

The accompanying notes are an integral part of the parent company only financial statements.

Radium Life Tech Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 62,470	\$ 643,103
Adjustments for:		
Depreciation expenses	228,805	290,124
Amortization expenses	5,830	5,154
Net losses on financial assets or liabilities at fair value through profit or loss	326	31
Interest expenses	352,811	406,979
Interest income	(2,976)	(3,532)
Share of profit of subsidiaries, associates, and joint ventures	(908,668)	(996,072)
Reversal of impairment loss on non-financial assets	(9,907)	(7,502)
Realized gain on transactions with subsidiaries, associates and joint ventures	(2,738)	(5,026)
Other non-cash items	29,221	47,999
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(6,051)	(3,000)
Notes receivable	(47)	2,528
Trade receivables	1,754	93,858
Trade receivables from related parties	(151)	2,061
Other receivables	27	80
Other receivables from related parties	(171)	(274)
Inventories	784,606	1,458,491
Prepayments	(7,208)	28,732
Other current assets	(1,012)	116,340
Incremental costs of obtaining contracts	(31,598)	-
Contract liabilities	176,600	(569,584)
Notes payable	3,317	-
Trade payables	(18,054)	(32,220)
Trade payables to related parties	12,129	(744,292)
Other payables	(147,512)	14,040
Other payables to related parties	720	(702)
Other current liabilities	(10,729)	(38,146)
Other operating liabilities	(1,728)	(1,981)
Cash generated from operations	510,066	707,189
Interest received	2,285	2,975
Interest paid	(347,357)	(395,099)
Income tax refund (payment)	803	(37,335)
Net cash inflow generated from operating activities	165,797	277,730

(Continued)

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(\$ 85,182)	(\$ 1,185,731)
Acquisition of investments accounted for using equity method	(450,337)	(549,985)
Net cash inflow on disposal of subsidiaries	12,572	-
Payments for property, plant and equipment	(4,772)	(2,542)
Increase in refundable deposits	(34,407)	-
Decrease in refundable deposits	-	67,642
Payments for intangible assets	(12,165)	(8,005)
Proceeds from disposal of investment properties	-	2,363,428
Decrease in finance lease receivables	21,115	17,731
Dividends received from investments accounted for using equity method	<u>896,835</u>	<u>468,660</u>
Net cash generated from investing activities	<u>343,659</u>	<u>1,171,198</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from short-term borrowings	-	1,179,120
Repayments of short-term borrowings	(1,079,041)	-
Proceeds from short-term bills payable	1,364,604	-
Repayments of short-term bills payable	-	(2,936,884)
Proceeds from issuance of bonds	500,000	3,000,000
Repayments of long-term borrowings	(1,172,417)	(1,420,293)
Proceeds from guarantee deposits received	1,665	1,594
Increase in other payables to related parties	-	130,000
Decrease in other payables to related parties	(250,000)	-
Repayment of the principal portion of lease liabilities	(115,223)	(129,022)
Dividends paid to owners of the Company	(558,058)	(547,385)
Payments for transaction costs attributable to treasury shares	(<u>38,752</u>)	(<u>114,160</u>)
Net cash used in financing activities	(<u>1,347,222</u>)	(<u>837,030</u>)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(837,766)	611,898
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,267,661</u>	<u>655,763</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 429,895</u>	<u>\$ 1,267,661</u>

The accompanying notes are an integral part of the parent company only financial statements.

RADIUM LIFE TECH CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Organization and Operations

Radium Life Tech Co., Ltd. (the “Company”) was incorporated in the Republic of China on March 26, 1982, its main business includes:

- (I) Commissioning construction companies to build public housing projects and commercial buildings for rental and sale.
- (II) Commissioned by the industrial competent authorities of the government to engage in development, lease, sale, and management of industrial zones.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since December 2000.

The parent company only financial statements are presented in New Taiwan Dollar, the Company’s functional currency.

2. Date and Procedures for Approval of the Financial Report

The parent company only financial statements were approved by the board of directors and authorized for release on March 29, 2022.

3. Application of Newly Issued and Amended Standards and Interpretations

- (I) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).
The application of the amendments to the IFRSs endorsed and issued into effect by the FSC will not have a material impact on the Company’s accounting policies.
- (II) The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2022

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

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting period beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoption of IFRSs” will be applied retrospectively for annual reporting period beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combination for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

(III) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17 “Initial Application of IFRS 9 and IFRS 17—Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendment to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the new/revised/amended standards and interpretations above are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendment will be applied prospectively for annual reporting period beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

(I) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for the financial instruments measured at fair value, and net defined benefit liabilities, which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When the Company prepared the parent company only financial statements, it adopted equity method to account for its investments in subsidiaries. In order to enable the amounts of the profit or loss for the year, other comprehensive income, and equity for the year in the parent company only financial statements to be the same as the ones attributable to the owners of the Company in its consolidated financial statements, regarding the differences arising from accounting treatments between the parent company only basis and the consolidation basis, adjustments were made to the investments accounted for using the equity method, the share of profit or loss on subsidiaries, associates, and joint ventures using the equity method, the share of other comprehensive income of subsidiaries, associates, and joint ventures using the equity method, as well as relevant equity items, as appropriate, in the parent company only financial statements.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 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.

Assets and liabilities that are not classified as current are classified as non-current.

As the Company is engaged in construction projects and commissioning of construction companies to build buildings or plants for sale, its operating cycle is longer than one year. Therefore, the assets and liabilities related to construction, building, and sales projects are classified with the operating cycle as the standard for current and non-current.

(IV) Foreign currencies

When the Company's financial statements are prepared, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing on that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

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

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

When the parent company only financial statements are prepared, the assets and liabilities of the Company's foreign operations (including subsidiaries, associates, joint ventures, or branches that operate in countries or adopt the functional currencies different from the Company) are translated into New Taiwan dollar at the rates of exchange prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency exchange differences are recognized in other comprehensive income.

Where the Company disposes of all the equity of a foreign operation, or disposes of part of the equity of the foreign operation's subsidiary and loses control over it, or the retained interests after disposal of the foreign operation's joint arrangements or associates are a financial asset and treated based on the accounting

policies applicable to financial instruments, all accumulated exchange differences related to the foreign operation will be reclassified to profit or loss.

Where the partial disposal of a subsidiary of a foreign operation does not result in the loss of control, the accumulated exchange differences are included in the equity transaction in proportion for calculation, and are not recognized in profit or loss. In the case of any other partial disposal of a foreign operation, the accumulated exchange differences will be reclassified to profit or loss in proportion to the disposal.

(V) Inventories

Inventories include property under development, property to be developed, and buildings and land held for sale. The value of inventories is determined based on the cost or net realizable value, whichever is lower. The comparison of the cost and net realizable value is based on individual items except for inventories of the same category. The net realizable value is the estimated selling price, less the estimated cost of completion and the estimated costs necessary to make the sale. The actual construction cost of the property inventories is reclassified to the annual operating costs in line with the recognition principle of property sales revenue.

For a contract where a land owner provides land for construction of buildings by a property developer in exchange for a certain percentage of the buildings, no exchange gains or loss is recognized if the buildings acquired are classified as properties held for sale. Revenue is recognized when the properties held for sale are sold to third parties.

(VI) Investments in subsidiaries

The Company adopts the equity method to account for its investments in subsidiaries.

A subsidiary is an entity (including special purpose entity) that is controlled by the Company.

Under the equity method, investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of its subsidiaries. In addition, changes in the Company's other equity interest of its subsidiaries are recognized based on its ownership percentage.

Changes in the Company's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity

transactions. Any difference between the carrying amount of an investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses on a subsidiary exceeds its equity in said subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term equity that, in substance, forms part of the Company's net investment in said subsidiary), the Company continues recognizing its share of further losses.

The amount of the acquisition cost in excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes the business on the acquisition date is classified as goodwill, which is included in the book value of the investment and cannot be amortized. The amount of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes the business on the acquisition date in excess of the amount of the acquisition cost is classified as current income.

When the Company assesses the impairment, it considers the cash-generating unit as a whole in the financial statements and compares its recoverable amount with the carrying amount. If the recoverable amount of an asset increases subsequently, the reversal of the impairment loss shall be recognized in gains, but the carrying amount of the asset after the reversal of the impairment loss shall not exceed the carrying amount of the asset less amortization without impairment loss recognized. The impairment loss attributable to goodwill shall not be reversed in subsequent periods.

When the Company loses control over a subsidiary, it measures its remaining investment in said subsidiary based on the fair value on the day when the control is lost. The fair value of the remaining investment and the difference between any disposal price and the carrying amount of the investment on the day when the control is lost are recognized in profit or loss for the period. In addition, all amounts recognized in other comprehensive income related to said subsidiary are accounted for on the same basis as the one adopted for the Company's direct disposal of the relevant assets or liabilities.

The unrealized profit or loss on downstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial statements. Profit or loss on downstream and lateral transactions between the Company and its

subsidiaries is recognized in the parent company only financial statements only to the extent that it does not affect the Company's interests in the subsidiaries.

(VII) Property, plant and equipment

Property, plant and equipment are initially recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are recognized at cost less accumulated impairment loss. The cost shall include professional service expenses and the borrowing costs eligible for capitalization. Such assets are classified into appropriate property, plant and equipment categories upon completion and reaching the status of intended use, and the depreciation will begin.

Except for self-owned land, which is not depreciated, each significant component of the remaining property, plant and equipment is depreciated separately on a straight-line basis within their useful lives. The Company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, and applies the effect of changes in applicable accounting estimates prospectively.

When derecognizing an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in loss or profit.

(VIII) Investment properties

Investment properties refers to properties held for the purpose of earning rents or capital appreciation or both (including properties and right-of-use assets thereof that meet the definition of investment properties and are in the process of construction). Investment properties also include land held for a currently undetermined future use.

Self-owned investment properties are initially measured at cost (including transaction cost), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

The investment properties acquired through lease are initially measured at cost (including the originally measured amount of the lease liabilities, the lease payments paid before the lease commencement date, the original direct cost, and the estimated cost of restoring the underlying asset, less the lease incentives received), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and the remeasurement of the lease liability is adjusted.

All investment properties are depreciated on a straight-line basis.

Investment properties under construction are recognized at the cost less the accumulated impairment losses. The cost shall include professional service expenses and the borrowing costs eligible for capitalization. Such assets begin to be depreciated when they reach the status of intended use.

Investment properties are reclassified to inventories based on the carrying amount at the time when they are planned to be sold and cease being leased out.

The properties recognized in inventories are reclassified to investment properties based on the carrying amount at the time of establishment of an operating lease for rental.

When investment properties are derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(IX) Intangible assets

The cost of computer software is mainly amortized on a straight-line basis over a period of 1 to 10 years.

(X) Assets related to contract costs

The sales commission for property sales and the selling service fee paid to agents under exclusive sale agreements of the property held for sale only occur when any customer contract is closed, and the amount is recognized in the incremental cost of obtaining the contract within the recoverable amount and reclassified when the property is completed and transferred to the customer. However, for the incremental cost of obtaining a contract that is expected to be amortized within one year, the Company chose not to capitalize it.

(XI) Impairment of assets related to property, plant and equipment, right-of-use assets, investment properties, intangible assets (excluding goodwill), and assets related to contract costs

The Company assesses if there are any signs of possible impairment in property, plant, and equipment as well as right-of-use, investment properties, and intangible assets (excluding goodwill) at the end of each reporting period. If there is any sign of impairment, an estimate is made of its recoverable amount. If it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Corporate assets are allocated to the smallest CGUs on a reasonable and consistent basis.

Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

The inventory, property, plant and equipment, and intangible assets related to customer contracts are first recognized as impairment in accordance with the inventory impairment standards and the standards above. Then, the carrying amount of the assets related to contract cost in excess of the expected amount of consideration received for the provision of the relevant goods or services less the direct relevant costs is recognized as an impairment loss. Subsequently, the carrying amount of the assets related to contract cost is included in the CGU to which they belong to perform impairment assessment of the CGU.

When the impairment loss is subsequently reversed, the carrying amount of the asset, the CGU, or the asset related to contract cost is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset, CGU, or the asset related to contract cost which was not recognized in impairment loss in prior years; the reversal of the impairment loss is recognized in profit or loss.

(XII) Financial instruments

Financial assets and financial liabilities shall be recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

1) Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Measurement types

Financial assets held by the Company are those measured at fair value through profit or loss (FVTPL) and at amortized cost, as well as investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

A. Financial assets at FVTPL

Financial assets at FVTPL are those mandatorily measured at FVTPL, including investments in equity instrument that the Company has not designated to measure at FVTOCI, and debt instruments that are not eligible to be classified as measured at amortized cost or at FVTOCI.

Financial assets measured at FVTPL are measured at fair value, and the gains or losses arising from remeasurement are recognized in profit or loss. Please refer to Note 32 for the method of determining the fair value.

B. Financial assets at amortized cost

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

- a. Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets; and
- b. The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

After initial recognition, such assets (including cash and cash equivalents, notes receivable, trade receivables, other receivables measured at amortized cost, and refundable deposits) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss, and any foreign currency exchange gains or losses are recognized in profit or loss.

Except for the following two cases, interest revenue is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

- a. For purchased or originated credit-impaired financial asset, interest revenue is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.
- b. For financial asset that is not purchased or originated credit-impaired but subsequently becomes credit impaired, interest revenue is calculated by multiplying the effective interest rate from the next reporting period after the credit impairment by the amortized cost of the financial asset.

Cash equivalents include time deposits and short-term bills that are highly liquid and readily convertible into a fixed amount of cash at any time within 3 months from the date of acquisition while featuring little risk of value changes, which are used to meet short-term cash commitments

C. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate as at FVTOCI the investments in equity instruments that are not held for trading and the ones that are not recognized by an acquirer in a business combination or with the contingent consideration.

Investments in an equity instrument measured at FVTOCI are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. Upon disposal of investments, cumulative gain or loss is directly transferred to retained earnings and are not reclassified to profit or loss.

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

(2) Impairment of financial assets and contract assets

The Company assesses the impairment loss of financial assets measured at amortized cost (including trade receivables), and contract assets based on the expected credit loss at the end of each reporting period.

Trade receivables and contract assets are recognized in loss allowance based on the lifetime expected credit losses (ECLs). Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, a loss allowance is recognized at an amount equal to 12-month ECLs. If the risks have increased significantly, a loss allowance is recognized at an amount equal to lifetime ECLs.

The ECLs refer to the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

- A. Internal or external information indicates that it is impossible for the debtor to settle the debt.
- B. It is overdue for more than 90 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

The Company recognizes an impairment loss for all financial assets with a corresponding downward adjustment to their carrying amount through a loss allowance account. However, the loss allowance for investment in debt instruments measured at FVTOCI is recognized in other comprehensive income without a downward adjustment to the carrying amount.

(3) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration

received is recognized in profit or loss. When derecognizing an investment in equity instrument at FVTOC in its entirety, the cumulative profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized at the proceeds received, net of the cost of direct issue.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The purchase, sale, issuance, or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3) Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost in the effective interest method.

(2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(XIII) Provisions

The amount recognized in provision is based on the risk and uncertainty of the obligation, and is the best estimate of the expenditure required to settle the obligation at the end of each reporting period. The provisions are measured at the discounted value of the cash flow estimated to settle the obligation.

Warranty

The warranty obligation to ensure that products conform to the agreed specifications is based on the management's best estimate of the expenditure required to settle the Company's obligation, and is recognized when relevant products are recognized in revenue.

(XIV) Revenue recognition

After the Company identifies its performance obligations in contracts with customers, it allocates the transaction price to each performance obligation in the contracts and recognizes revenue when performance obligations are satisfied.

Construction revenue

For the property sales within the normal business scope, the fixed transaction price is received in installments and recognized as a contract liability. After considering the major financial components, revenue is recognized when each property is completed and delivered to the buyer.

(XV) Leases

The Company assesses whether a contract belongs to (or contains) a lease on the date of establishment of the contract.

1) The Company as lessor

Where almost all the risks and rewards attached to the ownership of an asset are transferred to the lessee in lease terms, such leases are classified as finance leases. All other leases are classified as operating leases.

When the Company subleases the right-of-use assets, the right-of-use assets (not the underlying asset) are used to determine the classification of the sublease. However, if the main lease is a short-term lease for which the recognition exemption applies to the Company, the sublease is classified as an operating lease.

Under finance leases, lease payments include fixed payments, substantive fixed payments, and fines for lease termination that has been reflected in the lease term, less lease incentives that shall be paid. The net lease investment is measured by the sum of the present value of the lease payment receivable and the unguaranteed residual value plus the initial direct cost and presented as financial lease receivable. Finance lease income is allocated to each accounting period to reflect the fixed rate of return on the Company's net investment outstanding in respect of leases.

Under operating leases, lease payments less lease incentives are recognized in income on a straight-line basis over the relevant lease terms. The initial direct cost incurred in obtaining an operating lease is added to the carrying amount of the underlying asset and recognized as expenses on a

straight-line basis over the lease term. The lease negotiation with each lessee is handled as a new lease from the effective date of the lease modification.

The variable rent in a lease arrangement that is not dependent on the index or rate is recognized in income in the period in which it is incurred.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of each lease, except for low value asset leases and short-term leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

A right-of-use asset is initially measured at cost (including the initial measured amount of lease liabilities, the amount of lease payments made to the lessor less lease incentives received prior to the inception of a lease, initial direct costs, and the estimated costs of restoring underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment and adjusted for any remeasurement of the lease liabilities. Right-of-use assets, except those that meet the definition of investment properties, are presented on a separate line in the parent company only balance sheets. For the recognition and measurement of right-of-use assets that meet the definition of investment properties, please refer to (VIII) for the accounting policies for investment properties.

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

The lease liabilities are initially measured at the present value of the lease payment (including fixed payments, in-substance fixed payments, and fines for lease termination that has been reflected in the lease term, less lease incentives received). If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate applies.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term. If changes in the lease term, the expected payment under the residual value guarantee, the evaluation of the underlying asset purchase options, or the

index or rate used to determine the lease payment over the lease term lead to changes in future lease payments, the Company remeasure the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. For lease modifications that are not treated as a separate lease, remeasurement of the lease liabilities due to the reduced scope of the lease is to reduce the right-of-use assets, and to recognize the profit or loss of the partial or full termination of the lease; the remeasurement of the lease liabilities due to other modifications is to adjust the right-of-use assets. Lease liabilities are presented on a separate line in the parent company only balance sheets.

(XVI) Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of said assets, until such time as the assets are substantially ready for their intended use or sale.

For specific borrowings, if the investment income earned by making a temporary investment before the capital expenditure that meets the requirements is incurred, it is deducted from the borrowing costs that meet the capitalization conditions.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XVII) Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

The defined benefit cost under the defined benefit retirement benefit plan (including service cost, net interest, and remeasurement) is calculated based on the projected unit credit method. The service cost (including the service costs for the current period and the past service cost) and the net interest on the net defined benefit liabilities (assets) are recognized in employee benefit expenses

as they occur. The remeasurement (including actuarial gains and losses, effect of changes in assets limits, and the return on plan assets, net of interest) is recognized in other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss subsequently.

The net defined benefit liabilities (assets) are the deficit (surplus) of the defined benefit retirement benefit plan. The net defined benefit assets may not exceed the present value of any refunds from the plan or reductions in future contributions to the plan.

(XVIII) Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period, and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered .

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, the management is required to make judgments, estimations, and assumptions about the relevant information that is not readily accessible from other sources based on historical experience and other relevant factors. Actual results may differ from these estimates.

The management will constantly review the estimates and basic assumptions. If a revision of an estimate only affects the current period, it shall be recognized in the period in which the revision occurs. If a revision of an accounting estimate affects the current period and future periods, it shall be recognized in the period in which the revision occurs and future periods.

Key Sources of Estimation Uncertainty

Inventories impairment

The net realizable value of inventories is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. These estimates are based on current market conditions and historical sales experience in similar products. Changes in market conditions may materially affect the results of these estimates.

6. Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash	\$ 1,496	\$ 1,748
Checking accounts and demand deposits	419,773	1,262,338
Foreign currency deposits	<u>8,626</u>	<u>3,575</u>
	<u>\$ 429,895</u>	<u>\$ 1,267,661</u>

7. Financial assets at FVTPL

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Mandatorily measured at FVTPL		
Non-derivative financial assets		
Fund beneficiary certificates	<u>\$ 8,694</u>	<u>\$ 2,969</u>

Please refer to Note 25 for the gains or losses on financial assets at FVTPL.

8. Financial assets at FVTOCI

Investments in equity instruments at FVTOCI

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Non-current</u>		
Domestic unlisted shares	<u>\$ 5,100</u>	<u>\$ 5,100</u>

The Company invests in the above-mentioned unlisted stocks for medium- to long-term strategic purposes, and expects to make profits through long-term investments. The Company's management believes that recognizing the short-term fluctuations in the fair value of such investments in profit or loss is not consistent with the aforementioned long-term investment plan. Therefore, the management elected to designate these investments in equity instruments as at FVTOCI.

9. Financial assets at amortized cost

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Domestic investments		
Other financial assets	<u>\$ 662,511</u>	<u>\$ 8,424</u>
<u>Non-current</u>		
Domestic investments		
Other financial assets	<u>\$ 1,679,170</u>	<u>\$ 2,248,075</u>

- (I) Other financial assets are restricted assets, such as reserve accounts for bank deposits and trust account.
- (II) Please refer to Note 29 for information relating to investments in financial assets at amortized cost pledged.

10. Notes receivable and trade receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 47	\$ -
Less: Loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 47</u>	<u>\$ -</u>
 <u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 28,672	\$ 30,426
Less: Loss allowance	<u>-</u>	<u>-</u>
Total	<u>\$ 28,672</u>	<u>\$ 30,426</u>

When determining the recoverability of accounts receivable, the Company considers the changes in the credit quality of trade receivables during the period from the original credit date to the time it is presented in the balance sheet. Based on the historical experience, except for the counterparty of a transaction is any government agency or bank credit card center with great credit quality, in principle, the Company adopts individual evaluation and a simplified approach as in IFRS 9 to recognize loss allowance for trade receivables based on the lifetime expected credit losses. The lifetime expected credit losses are based on each customer's past default history, current financial position, and industrial economic situation, as well as the industry outlook. Based on the Company's historical experience in credit losses, the loss patterns of different customers are significantly different, the expected credit loss rate is calculated based on the trade receivables of individual customers.

If there is evidence that a counterparty is facing serious financial difficulties and the Company cannot reasonably expect to recover the amount, e.g., the counterparty is in liquidation, the Company will directly write off the relevant trade receivables, but will continue to try to collect the receivable. The recovered amount is recognized in profit or loss.

All the Company's trade receivables as of December 31, 2021 and 2020 are not past due.

11. Finance lease receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Undiscounted lease payments		
Year 1	\$ 28,003	\$ 23,490
Year 2	20,658	27,256
Year 3	211	18,672
Year 4	-	221
Year 5	<u>-</u>	<u>-</u>
	48,872	69,639
Less: Unearned finance income	(<u>870</u>)	(<u>2,162</u>)
Lease payments receivable	<u>48,002</u>	<u>67,477</u>
Net investment in leases presented as finance lease receivables	<u>\$ 48,002</u>	<u>\$ 67,477</u>

The Company measures the loss allowance for the finance lease receivable based on the lifetime expected credit losses. As of the end of the reporting period, there were no overdue finance lease receivable. At the same time, considering the past default history of each counterparty, the future development of the underlying lease industry, and the value of the collateral, the Company believed that the finance lease receivable above was not impaired.

12. Inventories

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Property under development	\$ 1,224,506	\$ 843,886
Property to be developed	316,757	497,981
Buildings and land held for sale	<u>5,213,560</u>	<u>6,187,655</u>
	<u>\$ 6,754,823</u>	<u>\$ 7,529,522</u>

Property under development

<u>Project name</u>	<u>Estimated completion year</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Sanzhi Project - East Side	2024	\$ 1,029,771	\$ 843,886
Sanzhi Project - West Side	2025	<u>194,735</u>	<u>-</u>
		<u>\$ 1,224,506</u>	<u>\$ 843,886</u>

Property to be developed

<u>Project name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsection 1, Wenquan Section, Beitou District	\$ 316,757	\$ 316,758
Sanzhi Project - West Side	<u>-</u>	<u>181,223</u>
	<u>\$ 316,757</u>	<u>\$ 497,981</u>

Buildings and land held for sale

<u>Project name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Fu-Jou project	\$ 4,745,305	\$ 4,832,747
Daqiaotou Project	384,405	1,245,381
Others	83,850	109,527
	<u>\$ 5,213,560</u>	<u>\$ 6,187,655</u>

- (I) As of December 31, 2021 and 2020, it was expected that the inventory recovered after more than 12 months would be \$1,541,263 thousand and \$1,341,867 thousand respectively.
- (II) Please refer to Note 29 for information on the Company's amount of inventories pledged.
- (III) To enable the construction projects and construction to proceed and the completed construction projects to be delivered smoothly, the Company's registration of the trust of construction in progress is as follows:

<u>Project name</u>	<u>Trustee</u>	<u>Trust period</u>
Sanzhi Project – East & West Side	Baoguo Construction Management Co., Ltd.	It started from December 30, 2019, the project was completed, and the first-time registration of ownership was completed.

For the above-mentioned trust contract, the Company entrusts the trustees to execute fund control, property right management, financing loan repayment, self-raising funds, and necessary expenses and expenditures incurred by the trust relationship.

- (IV) Please refer to Note 17 for the information on the reclassification of inventory to investment property due to changes in the purpose of use.
- (V) The inventory-related cost of sales in 2021 and 2020 was \$999,560 thousand and \$1,512,087 thousand respectively. The cost of sales included gains on inventory value recoveries of \$9,907 thousand and \$7,502 thousand, respectively. The recovery in the net realizable value of inventories in 2021 and 2020 was due to the increase in the selling price of the inventories in the market.

13. Prepayments and other assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Overpaid sales tax	\$ -	\$ 15,321
Others	<u>148,697</u>	<u>125,156</u>
	<u>\$ 148,697</u>	<u>\$ 140,477</u>
Prepayments	\$ 143,604	\$ 136,396
Other assets - current	<u>5,093</u>	<u>4,081</u>
	<u>\$ 148,697</u>	<u>\$ 140,477</u>

14. Investments accounted for using equity method

Investments in subsidiaries

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Unlisted company		
Ji-Shun Life Tech Co., Ltd. (Ji-Shun)	\$ 843,480	\$ 716,492
Li Chiang Development Co., Ltd. (Li- Chiang)	476,190	520,180
Rih Yao Development Co., Ltd. (Rih-Yao)	683,172	748,458
Radium Far East Co., Ltd. (Far East)	603,597	624,249
Titan Development and Construction Co., Ltd. (Titan)	1,178,354	1,249,678
Wan Da Tong Enterprise Co., Ltd. (Wan-Da-Tong)	1,764,916	1,760,682
Radium-Kagaya International Hotel Co., Ltd. (KaGaYa)	114,459	114,907
Zhao Yao Enterprise Co., Ltd. (Zhao-Yao)	1,422,078	1,463,779
Clever Base Investments Limited (Clever Base)	-	5,434
Xin Xiu Ge Hotel Co., Ltd. Co., Ltd. (Xin-Xiu-Ge)	320,127	324,423
Jing-Jan Investment Holdings Co., Ltd. (Jing-Jan Hldg)	3,582,214	3,602,643
Rih Siang Property Management Co., Ltd. (Rih-Siang)	1,918,905	1,932,299
Rih Zuan Green Energy Technology Co., Ltd. (Rih-Zuan)	44,650	42,089
Wan Tong Digital Technology Co., Ltd. (Wan-Tong)	-	8,477
LiJiang Business Consulting(Shanghai). (LiJiang)	2,497	2,959
Rih-Ding Circular Economy Investment Holdings Co., Ltd. (Rih-Ding Hldg)	6,299,866	5,713,974

(Continued)

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Jing Ding Green Energy Technology Co., Ltd. (Jing-Ding)	\$ 6,871	\$ 7,200
Less: Unrealized gain from affiliate	(1,286,518)	(1,289,256)
Less: Accumulated impairment	(<u>130,802</u>)	(<u>155,686</u>)
	<u>\$ 17,844,056</u>	<u>\$ 17,392,981</u>

The Company's ownership interest and percentage of voting rights in the subsidiaries at the end of the reporting period are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Unlisted company		
Ji-Shun	100.00%	100.00%
Li- Chiang	100.00%	100.00%
Rih-Yao	100.00%	100.00%
Far East	99.93%	99.93%
Titan	100.00%	100.00%
Wan-Da-Tong	28.35%	28.35%
KaGaYa	100.00%	100.00%
Zhao-Yao	100.00%	100.00%
Clever Base	-	100.00%
Xin-Xiu-Ge	100.00%	100.00%
Jing-Jan Hldg	61.06%	61.06%
Rih-Siang	100.00%	100.00%
Rih-Zuan	90.00%	90.00%
Wan-Tong	-	90.00%
LiJiang	100.00%	100.00%
Rih-Ding Hldg	100.00%	100.00%
Jing-Ding	37.00%	37.00%

The Company's shareholding in Wan-Da-Tong is 28.35%. Since the remaining 71.65% of the shares are held by Jing-Jan Hldg, and Titan holds 36.80% of the shares of Jing-Jan Hldg, it is judged that the Company is able to exercise significant influence over Wan-Da-Tong, so it is classified as a subsidiary.

The Company's shareholding in Jing-Ding is 37.00%. Because Ding-Sheng holds 33.00% of its shares, and Rih-Ding Hldg holds 100.00% of Ding-Sheng's shares, it is judged that the Company is able to exercise significant influence over Jing-Ding, so it is classified as a subsidiary.

The share of profits and losses and other comprehensive income of the subsidiaries accounted for using the equity method in 2021 and 2020 were recognized based on the subsidiaries' financial statements that have been audited by CPAs for the same periods.

Based on the results of the appraisal report in 2021, the Company estimated the recoverable amount of the completed investment properties of Far East is expected to be greater than the carrying amount. After assessment, the Company recognized impairment of \$24,884 thousand for gains on reversal in 2021 for Far East, under the equity method for subsidiaries, affiliates and joint ventures of the parent company only statement of comprehensive income. As of December 31, 2021 and 2020, the accumulated impairment of the investment under the equity method by the Company was \$130,802 thousand and \$155,686 thousand.

Rih-Ding Hldg was established on March 5, 2020, and approved by and registered with the Taipei City Government. Jing-Ding was established on September 18, 2020, and approved by and registered with the Central Region Office, Ministry of Economic Affairs.

Kai Chuang cancelled its registration on April 8, 2020; Sharp China Investments cancelled its registration on April 17, 2020; Rih Ding Investments cancelled its registration on February 25, 2021; Wan Tong Digital registered for its dissolution on April 26, 2021 and obtained a letter of liquidation letter from the court on January 25, 2022; while Clever Base cancelled its registration on June 8, 2021.

The Company's board of directors resolved to adjust the organizational structure on April 6, 2020. Rih-Ding Hldg issued new shares and obtained 100% of the Company's shares in Rih-Ding Water and Ding-Sheng through share swap arrangements, and the record date of share swap was May 8, 2020.

For the amount of investments accounted for using equity method pledged by the Company to secure borrowings, please refer to Note 29.

15. Property, plant and equipment

(I) Assets used by the company

	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Other Equipment	Total
<u>Cost</u>						
Balance at January 1, 2021	\$ 47,750	\$ 83,418	\$ 1,302	\$ 36,028	\$ 16,828	\$ 185,326
Additions	-	-	-	2,632	2,140	4,772
Balance at December 31, 2021	<u>\$ 47,750</u>	<u>\$ 83,418</u>	<u>\$ 1,302</u>	<u>\$ 38,660</u>	<u>\$ 18,968</u>	<u>\$ 190,098</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ -	\$ 28,759	\$ 1,213	\$ 31,095	\$ 14,785	\$ 75,852
Depreciation expenses	-	2,597	41	1,844	613	5,095
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 31,356</u>	<u>\$ 1,254</u>	<u>\$ 32,939</u>	<u>\$ 15,398</u>	<u>\$ 80,947</u>
Carrying amount at December 31, 2021	<u>\$ 47,750</u>	<u>\$ 52,062</u>	<u>\$ 48</u>	<u>\$ 5,721</u>	<u>\$ 3,570</u>	<u>\$ 109,151</u>

(Continued)

	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Other Equipment	Total
<u>Cost</u>						
Balance at January 1, 2020	\$ 47,750	\$ 83,418	\$ 1,302	\$ 35,085	\$ 15,229	\$ 182,784
Additions	-	-	-	943	1,599	2,542
Balance at December 31, 2020	<u>\$ 47,750</u>	<u>\$ 83,418</u>	<u>\$ 1,302</u>	<u>\$ 36,028</u>	<u>\$ 16,828</u>	<u>\$ 185,326</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	\$ -	\$ 26,162	\$ 1,172	\$ 29,190	\$ 14,561	\$ 71,085
Depreciation expenses	-	2,597	41	1,905	224	4,767
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 28,759</u>	<u>\$ 1,213</u>	<u>\$ 31,095</u>	<u>\$ 14,785</u>	<u>\$ 75,852</u>
Carrying amount at December 31, 2020	<u>\$ 47,750</u>	<u>\$ 54,659</u>	<u>\$ 89</u>	<u>\$ 4,933</u>	<u>\$ 2,043</u>	<u>\$ 109,474</u>

Depreciation expenses of the property, plant and equipment are calculated on a straight-line basis over their estimated useful lives as shown in the following:

Buildings	10-50 years
Transportation equipment	5 years
Office equipment	3-15 years
Other equipment	1-10 years

- (II) As of December 31, 2021 and 2020, the accumulated impairment of the property, plant and equipment, through the assessment of their recoverable amounts based on their net fair values was both \$19,569 thousand.
- (III) For the amount of property, plant and equipment pledged by the Company as collateral for borrowings, please refer to Note 29.

16. Lease arrangements

- (I) Right-of-use assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount		
Buildings	\$ 20,889	\$ -
Transportation equipment	<u>3,554</u>	<u>3,441</u>
	<u>\$ 24,443</u>	<u>\$ 3,441</u>
	<u>2021</u>	<u>2020</u>
Additions to right-of-use assets	<u>\$ 34,522</u>	<u>\$ 1,616</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 10,444	\$ 13,045
Transportation equipment	<u>2,713</u>	<u>2,087</u>
	<u>\$ 13,157</u>	<u>\$ 15,132</u>

The above-mentioned amount of right-of-use assets does not include right-of-use assets that meet the definition of investment properties.

(II) Lease liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount		
Current	<u>\$ 115,744</u>	<u>\$ 104,663</u>
Non-current	<u>\$ 78,394</u>	<u>\$ 172,011</u>

Range of discount rate for lease liabilities is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Transportation equipment	1.83%~2.72%	2.15%~2.72%

(III) Material lease-in activities and terms

The Company has leased several buildings for offices over a lease terms of 3 years. The Company has also leased certain transportation equipment over a lease term of 3 years. The Company does not have preferential right to acquire the buildings leased at the end of the lease term.

(IV) Sublease

The Company's sublease transactions have been detailed in Notes 11 and 17.

(V) Other lease information

	<u>2021</u>	<u>2020</u>
Expenses relating to short-term leases	<u>\$ 5,755</u>	<u>\$ 4,910</u>
Total cash outflow of leases	<u>(\$ 127,207)</u>	<u>(\$ 143,363)</u>

The Company has leased certain office equipment which qualifies for short-term leases and certain equipment which qualifies for low-value asset leases. The Company has elected to apply the recognition exemption for said equipment and, thus, did not recognize the right-of-use assets and lease liabilities of said leases.

17. Investment properties

	<u>Completed Investment Properties</u>	<u>Right-of-use Assets</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 7,387,312	\$ 284,492	\$ 7,671,804
Disposals	-	(15,831)	(15,831)
Transfers to finance lease receivables	-	(95,176)	(95,176)
Transfers from finance lease receivables	-	14,094	14,094
Balance at December 31, 2021	<u>\$ 7,387,312</u>	<u>\$ 187,579</u>	<u>\$ 7,574,891</u>

(Continued)

	Completed Investment Properties	Right-of-use Assets	Total
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 918,434	\$ 122,357	\$ 1,040,791
Depreciation expenses	155,752	54,801	210,553
Disposals	-	(14,467)	(14,467)
Transfers to finance lease receivables	-	(49,620)	(49,620)
Balance at December 31, 2021	<u>\$ 1,074,186</u>	<u>\$ 113,071</u>	<u>\$ 1,187,257</u>
Carrying amount at			
December 31, 2021	<u>\$ 6,313,126</u>	<u>\$ 74,508</u>	<u>\$ 6,387,634</u>
<u>Cost</u>			
Balance at January 1, 2020	\$ 8,841,981	\$ 406,913	\$ 9,248,894
Disposals	(1,480,924)	(21,943)	(1,502,867)
Transfers to finance lease receivables	-	(117,924)	(117,924)
Transfers to buildings and land held for sale	(91,894)	-	(91,894)
Transfers from buildings and land held for sale	118,149	-	118,149
Transfers from finance lease receivables	-	17,446	17,446
Balance at December 31, 2020	<u>\$ 7,387,312</u>	<u>\$ 284,492</u>	<u>\$ 7,671,804</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 947,739	\$ 95,972	\$ 1,043,711
Depreciation expenses	190,605	79,620	270,225
Disposals	(242,825)	(20,451)	(263,276)
Transfers to finance lease receivables	-	(32,784)	(32,784)
Transfers to buildings and land held for sale	(1,960)	-	(1,960)
Transfers from buildings and land held for sale	24,875	-	24,875
Balance at December 31, 2020	<u>\$ 918,434</u>	<u>\$ 122,357</u>	<u>\$ 1,040,791</u>
Carrying amount at			
December 31, 2020	<u>\$ 6,468,878</u>	<u>\$ 162,135</u>	<u>\$ 6,631,013</u>

- (I) For the right-of-use assets in the investment properties, it is the buildings subleased by the Company to others in the form of operating leases.
- (II) The fair value of the investment properties finished by the Company as of December 31, 2021 and 2020 was \$10,368,279 thousand and \$10,160,924 thousand, respectively. The fair value was based on the appraisals conducted by independent appraisers Wei-Hsin Chin, Liang-An Chi, and Wen-Che Tsai, who were not related parties, at the dates. Said appraisals were conducted using the comparative method, the income approach, and the land development analysis method.
- (III) The major components of the Company's investment properties mainly include the above-ground structures and interior and exterior decoration, etc., and are depreciated according to their useful lives of 10–50 years.
- (IV) For the amount of investment properties pledged by the Company, please refer to Note 29.
- (V) As of December 31, 2021 and 2020, the Company's buildings and land were held in trust in order to obtain financing from financial institutions. The trust registration is as follows:

Project name	Trustee	Trust period
Buildings and land in the fourth section of Zhongxiao East Road and relevant income	King's Town Bank Co., Ltd.	From July 27, 2009 to July 31, 2024.

For the above-mentioned trust contract, the Company entrusts the trustees to execute fund control, property right management, financing loan repayment, and necessary expenses and expenditures incurred by the trust relationship.

- (VI) As of December 31, 2021 and 2020, the accumulated impairment of the investment properties, through the assessment of their recoverable amounts based on their net fair values was both NT\$94,412 thousand. The Company determines the recoverable amount of the finished investment properties based on the fair value less disposal costs. The relevant fair value is determined under the comparative method. The main assumptions include the estimated selling price, which belongs to the Level 2 fair value measurement.
- (VII) The lease terms for the lease out of investment properties range from 1 to 18 years. When the lessee exercises the right to renew a lease, it is agreed that the rent will be

adjusted according to the market level. At the end of the lease term, the lessee has no preferential right to purchase the investment properties. In addition to fixed lease payments, the lease contract also stipulates that the lessee shall pay variable lease payments based on a specific percentage of its revenue.

(VIII) The total amount of lease payments that will be received in the future for leasing out investment properties under operating leases is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Year 1	\$ 142,561	\$ 145,880
Year 2	88,845	140,682
Year 3	33,379	86,160
Year 4	7,147	32,205
Year 5	6,516	5,956
Year 6 onwards	<u>23,951</u>	<u>29,863</u>
	<u>\$ 302,399</u>	<u>\$ 440,746</u>

18. Borrowings

(I) Short-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Secured borrowings</u>		
Bank loans	\$ 797,532	\$ 1,887,250
<u>Unsecured borrowings</u>		
Bank loans	<u>618,032</u>	<u>607,355</u>
	<u>\$ 1,415,564</u>	<u>\$ 2,494,605</u>

The interest rate range of short-term borrowings as of December 31, 2021 and 2020 was 1.90%–2.97% and 2.00%–3.07%, respectively. Please refer to Note 29 for the collateral pledged for the above-mentioned borrowings.

(II) Short-term bills payable

<u>Guarantee or acceptance institutions</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Entie Bank	\$ 620,300	\$ -
Taiwan Cooperative Bills Finance Corporation	436,100	-
International Bills Finance Corporation	<u>309,000</u>	<u>-</u>
	1,365,400	-
Less: Discount on short-term bills payable	(<u>796</u>)	<u>-</u>
	<u>\$ 1,364,604</u>	<u>\$ -</u>

The interest rate range of short-term bills payable as of December 31, 2021 was 0.37%–1.33%. Please refer to Note 29 for the collateral pledged for the above-mentioned short-term bills payable.

(III) Long-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Secured borrowings</u>		
Syndicated loan project led by Bank of Taiwan	\$ 2,155,000	\$ 2,425,000
Syndicated loan project led by CTBC Bank	-	656,466
Other borrowings	9,247,024	9,481,895
<u>Unsecured borrowings</u>		
Other borrowings from banks	252,070	263,150
Less: Arrangement fee of long-term borrowings	(5,750)	(12,663)
Less: Current portion of long-term borrowings and bonds payable	(6,196,247)	(1,437,443)
Add: Arrangement fee of current portion of long-term borrowings	3,000	3,000
Long-term borrowings	<u>\$ 5,455,097</u>	<u>\$ 11,379,405</u>

The interest rate range of long-term borrowings as of December 31, 2021 and 2020 was 1.750%–2.588% and 1.54%–2.93%, respectively. The syndicated loan project led by Bank of Taiwan includes five banks. The syndicated loan project led by CTBC Bank includes four banks. The loan was repaid in advance on October 27, 2021. Please refer to Note 29 for the collateral pledged for the above-mentioned borrowings.

19. Bonds payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Secured domestic bonds	\$ 6,000,000	\$ 5,500,000
Less: Bonds payable maturing within one business cycle	(<u>1,500,000</u>)	<u>-</u>
Bonds payable	<u>\$ 4,500,000</u>	<u>\$ 5,500,000</u>

(I) The Company issued the first domestic secured ordinary bonds on September 14, 2017. The main conditions for the issue are as follows:

1. Total amount of issue: \$1,000,000 thousand.
2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 1.02% with repayment of principal in a lump sum upon maturity.
4. Duration: 5 years (September 14, 2017 to September 14, 2022).

5. Guarantee method: Taiwan Cooperative Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (II) The Company issued the second domestic secured ordinary bonds on November 23, 2017. The main conditions for the issue are as follows:
1. Total amount of issue: \$500,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 1.02% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (November 23, 2017 to November 23, 2022).
 5. Guarantee method: Taiwan Business Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (III) The Company issued the first domestic secured ordinary bonds on July 1, 2019. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.80% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (July 1, 2019 to July 1, 2024).
 5. Guarantee method: Taiwan Cooperative Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (IV) The Company issued the first domestic secured ordinary bonds on June 1, 2020. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.68% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (June 1, 2020 to June 1, 2025).
 5. Guarantee method: First Commercial Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (V) The Company issued the second domestic secured ordinary bonds on July 1, 2020. The main conditions for the issue are as follows:

1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.65% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (July 1, 2020 to July 1, 2025).
 5. Guarantee method: First Commercial Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (VI) The Company issued the third domestic secured ordinary bonds on December 29, 2020. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.55% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (December 29, 2020 to December 29, 2025).
 5. Guarantee method: Taiwan Business Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (VII) The Company issued the first domestic secured ordinary bonds on August 2, 2021. The main conditions for the issue are as follows:
1. Total amount of issue: \$500,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.61% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (August 2, 2021 to August 2, 2026).
 5. Guarantee method: Taiwan Business Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.

20. Provisions

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Non-current</u> Warranties	<u>\$ 255,642</u>	<u>\$ 257,370</u>

The provisions for warranty is the present value of the best estimate of the future outflow of economic benefits caused by the warranty obligation made by the

management of the Company according to the sales contract. This estimate is based on historical warranty experience, and is adjusted in consideration of new materials, process changes, or other factors that affect product quality.

21. Maturity analysis of assets and liabilities

The assets and liabilities related to the Company's construction business is classified as current or non-current according to the operating cycle. The relevant amounts recognized are based on the amounts expected to be recovered or repaid within one year and more than one year after the end of the reporting period, which are listed below:

	December 31, 2021		
	Within 1 year	More than 1 year	Total
Assets			
Financial assets at amortized cost -current	\$ 117,921	\$ -	\$ 117,921
Notes receivable and trade receivables	\$ 21,249	\$ -	\$ 21,249
Buildings and land held for sale	\$ 5,213,560	\$ -	\$ 5,213,560
Property under development	\$ -	\$ 1,224,506	\$ 1,224,506
Property to be developed	\$ -	\$ 316,757	\$ 316,757
Refundable deposits - current	\$ 225,387	\$ -	\$ 225,387
Incremental costs of obtaining a contracts	\$ -	\$ 31,598	\$ 31,598
Liabilities			
Contract liabilities - current	\$ 61,997	\$ 166,172	\$ 228,169
Guarantee deposits received (shown as other current liabilities)	\$ 374	\$ -	\$ 374
Current portion of long-term borrowings	\$ -	\$ 494,394	\$ 494,394

	December 31, 2020		
	Within 1 year	More than 1 year	Total
Assets			
Financial assets at amortized cost -current	\$ <u>8,423</u>	\$ <u>-</u>	\$ <u>8,423</u>
Notes receivable and trade receivables	\$ <u>22,269</u>	\$ <u>-</u>	\$ <u>22,269</u>
Buildings and land held for sale	\$ <u>6,187,655</u>	\$ <u>-</u>	\$ <u>6,187,655</u>
Property under development	\$ <u>-</u>	\$ <u>843,886</u>	\$ <u>843,886</u>
Property to be developed	\$ <u>-</u>	\$ <u>497,981</u>	\$ <u>497,981</u>
Refundable deposits - current	\$ <u>190,854</u>	\$ <u>-</u>	\$ <u>190,854</u>
Liabilities			
Contract liabilities - current	\$ <u>44,769</u>	\$ <u>6,800</u>	\$ <u>51,569</u>
Guarantee deposits received (shown as other current liabilities)	\$ <u>516</u>	\$ <u>-</u>	\$ <u>516</u>
Current portion of long-term borrowings	\$ <u>479,510</u>	\$ <u>-</u>	\$ <u>479,510</u>

22. Retirement benefit plans

(I) Defined contribution plans

The Company has adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts of the Bureau of Labor Insurance at 6% of monthly salaries and wages.

(II) Defined benefit plans

The pension system adopted by the Company in accordance with the Labor Standards Act of R.O.C. is a state-managed defined benefit pension plan. The payment for employee pensions is calculated based on the length of service and the average salary in the 6 months prior to the approved retirement date. The Company contributes pensions at 2% of the total monthly employee salaries, which are deposited by the Pension Fund Monitoring Committee in the pension account with the Bank of Taiwan in the name of the committee. Before the end of each year, if the

balance in the pension account assessed is inadequate to pay for the retirement benefits for employees who meet the retirement requirements in the following year, the Company will contribute an amount to make up for the difference in a lump sum by the end of March of the following year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence the investment management strategy.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligation	\$ 19,757	\$ 20,381
Fair value of plan asset	(<u>12,514</u>)	(<u>11,721</u>)
Insufficiency in contribution	<u>7,243</u>	<u>8,660</u>
Net defined benefit liabilities	<u>\$ 7,243</u>	<u>\$ 8,660</u>

Changes in net defined benefit liabilities are as follows:

	<u>Present value of the defined benefit obligation</u>	<u>Fair value of the plan assets</u>	<u>Net defined benefit liabilities</u>
Balance at January 1, 2020	<u>\$ 20,004</u>	<u>(\$ 10,871)</u>	<u>\$ 9,133</u>
Service cost			
Current service cost	65	-	65
Net interest expense (income)	<u>139</u>	<u>(76)</u>	<u>63</u>
Recognized in profit or loss	<u>204</u>	<u>(76)</u>	<u>128</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(358)	(358)
Actuarial loss - changes in financial assumptions	696	-	696
Actuarial gain - experience adjustments	<u>(523)</u>	<u>-</u>	<u>(523)</u>
Recognized in other comprehensive income	<u>173</u>	<u>(358)</u>	<u>(185)</u>
Contributions from the employer	<u>-</u>	<u>(416)</u>	<u>(416)</u>
Balance at December 31, 2020	<u>20,381</u>	<u>(11,721)</u>	<u>8,660</u>
Service cost			
Current service cost	66	-	66
Net interest expense (income)	<u>61</u>	<u>(35)</u>	<u>26</u>
Recognized in profit or loss	<u>127</u>	<u>(35)</u>	<u>92</u>

(Continued)

<u>Present value of</u>	<u>Fair value of the</u>	<u>Net defined</u>
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	<u>the defined benefit obligation</u>	<u>plan assets</u>	<u>benefit liabilities</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	(\$ 173)	(\$ 173)
Actuarial loss - changes in demographic assumptions	20	-	20
Actuarial gain - changes in financial assumptions	(551)	-	(551)
Actuarial gain - experience adjustments	(<u>220</u>)	<u>-</u>	(<u>220</u>)
Recognized in other comprehensive income	(<u>751</u>)	(<u>173</u>)	(<u>924</u>)
Contributions from the employer	<u>-</u>	(<u>585</u>)	(<u>585</u>)
Balance at December 31, 2021	<u>\$ 19,757</u>	(<u>\$ 12,514</u>)	<u>\$ 7,243</u>

Due to the pension plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The Bureau invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits on its own use and through agencies entrusted. However, the income from the Company's amount allocated to plan assets is calculated based on the interest rate not lower than the local bank's interest rate for 2-year time deposits.
- 2) Interest risk: A decrease in the interest rate in the government bonds/corporate bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment through the plan assets will also increase, and the increases will partially offset the effect of the net defined benefit liability.
- 3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of the participants in the plan. As such, an increase in the salary of the participants in the plan will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The critical assumptions made on the measurement date are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate	0.65%	0.30%

Expected rate of salary increase	2.00%	2.00%
Turnover rate	0.41%	0.54%

If each of the critical actuarial assumptions is subject to reasonably possible changes, when all other assumptions remain unchanged, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate		
0.25% increase	(<u>\$ 384</u>)	(<u>\$ 439</u>)
0.25% decrease	<u>\$ 395</u>	<u>\$ 453</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 389</u>	<u>\$ 445</u>
0.25% decrease	(<u>\$ 379</u>)	(<u>\$ 433</u>)
Turnover rate		
110% increase	<u>\$ -</u>	<u>\$ -</u>
90% decrease	<u>\$ -</u>	<u>\$ -</u>

As actuarial assumptions may be correlated, it is unlikely that only a single assumption would occur in isolation of one another, so the sensitivity analysis above may not reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Expected contributions to the plans for the next year	<u>\$ 369</u>	<u>\$ 366</u>
Average duration of the defined benefit obligation	7 years	8 years

23. Equity

(I) Share capital

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Authorized shares (in thousands)	<u>950,000</u>	<u>950,000</u>
Authorized capital	<u>\$ 9,500,000</u>	<u>\$ 9,500,000</u>
Issued and paid shares (in thousands)	<u>900,095</u>	<u>900,095</u>
Issued capital	<u>\$ 9,000,946</u>	<u>\$ 9,000,946</u>

The ordinary shares issued, with a par value of NT\$10 per share, are entitled to one voting right per share and to the right to receive dividends.

The Company's board of directors passed the resolution on March 20, 2020 to repurchase 20,000 thousand treasury shares. Upon expiration, the actual number of shares repurchased was 12,213 thousand treasury shares. The cancellation and change registration for the capital reduction was conducted in accordance with the law, with July 8, 2020 set as the record date for capital reduction.

The board of directors passed the resolution on December 24, 2021 to purchase 20,000 thousand treasure shares. The cancellation and change registration for the capital reduction was conducted in accordance with the law, with March 9, 2022 set as the record date for capital reduction.

(II) Capital Surplus

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Additional paid in capital	\$ 1,223,774	\$ 1,223,774
Difference between consideration and carrying amount of subsidiaries acquired or disposed	59,494	59,494
Retirement of treasury share	<u>24,575</u>	<u>24,575</u>
	<u>\$ 1,307,843</u>	<u>\$ 1,307,843</u>

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus). If there is no cash inflow from the capital surplus, it can only be used to offset the deficit.

(III) Retained earnings and dividends policy

In accordance with the Company's Articles of Incorporation regarding earnings allocation, when there are earnings in the Company's annual final accounts, the earnings shall be allocated in the following order:

- 1) Pay taxes.
- 2) Offset the deficits from prior years.
- 3) Set aside 10% of the balance for legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply.
- 4) Set aside or reverse the special reserve when necessary in accordance with the law.
- 5) With any remaining balance after deducting the amounts in 1. – 4., together with the accumulated earnings from prior years, the board of directors shall

consider the Company's financial position and draft a proposal for distributing dividends to shareholders. The proposal will be submitted it to the shareholders' meeting for a resolution.

For information on the distribution of the employee compensation and remuneration of directors, please refer to Note 25 regarding employee compensation and remuneration of directors.

The life cycle of the Company's industry is at a developed and stable stage. After considering the Company's earnings, future capital needs, and development plans, the Company's dividends will be distributed in both stocks and cash. Of them, the cash dividends distributed shall not be less than 20% of the total dividends distributed for the year. However, if the cash dividends are less than NT\$0.1 (inclusive) per share, the dividends may be fully distributed in stock.

The shareholders' meeting held on July 29, 2021 resolved and passed the amendment to the Articles of Incorporation specifying that - when a special reserve is appropriated from the net deduction in other equity accumulated in the previous period, where the undistributed earnings of the previous period are insufficient, the undistributed earnings will be included in the undistributed earnings of the current period from net income plus items other than net income after tax of the current period. Prior to the amendment of the Articles of Incorporation, the Company carried out appropriation of earnings from distributed earnings of the previous period in accordance with the law.

Appropriation of earnings to legal reserve shall be made until the reserve equals the Company's paid-in capital. Legal reserves may be used to offset the deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to share capital or distributed in cash.

The earnings distribution proposals for 2020 and 2019 approved in the shareholders' meetings on July 29, 2021 and May 18, 2019, respectively, are as follows:

	2020	2019
Legal reserve	<u>\$ 62,263</u>	<u>\$ 40,673</u>
Special reserve	<u>(\$ 1,945)</u>	<u>(\$ 1,026)</u>
Cash dividends	<u>\$ 558,058</u>	<u>\$ 547,385</u>
Cash dividends per share (NT\$)	\$ 0.62	\$ 0.6

The 2021 earnings distribution proposal put forth by the Company's board of directors on March 29, 2022 is as follows:

	<u>2021</u>
Legal reserve	<u>\$ 6,164</u>
Special reserve	<u>\$ 156</u>
Cash dividends	<u>\$ 176,019</u>
Cash dividends per share (NT\$)	<u>\$ 0.2</u>

The 2021 earnings distribution proposal has yet to be resolved by the shareholders' meeting scheduled to be held on May 27, 2022.

(IV) Treasury shares

<u>Purpose of Buy-back</u>	<u>Shares cancelled (in thousands of shares)</u>
Number of shares at January 1, 2021	-
Increase during the year	<u>3,649</u>
Number of shares at December 31, 2021	<u>3,649</u>
Number of shares at January 1, 2020	-
Increase during the year	12,213
Decrease during the year	(<u>12,213</u>)
Number of shares at December 31, 2020	<u>-</u>

Treasury shares hold by the Company may not be pledged in accordance with the Securities and Exchange Act, and are not entitled to dividends or voting rights.

24. Revenue

	<u>2021</u>	<u>2020</u>
Revenue from contracts with customers		
Construction contract revenue	<u>\$ 1,282,008</u>	<u>\$ 1,941,042</u>
Rental income		
Investment properties (Note 17)		
Variable lease payments that do not depend on an index or a rate	381	7
Other lease payments	<u>140,719</u>	<u>174,343</u>
	<u>141,100</u>	<u>174,350</u>
	<u>\$ 1,423,108</u>	<u>\$ 2,115,392</u>

(I) Contract balance

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>January 1, 2020</u>
Trade receivables (Note 10)	<u>\$ 28,672</u>	<u>\$ 30,426</u>	<u>\$ 124,284</u>
Contract liabilities - current			
Sale of properties	<u>\$ 228,169</u>	<u>\$ 51,569</u>	<u>\$ 621,153</u>

The change in contract assets and liabilities is mainly due to the difference between the point of meeting the performance obligation and the time of payment by the customer.

The contract liabilities at the beginning of the year recognized as revenue for the current year is as follows:

	<u>2021</u>	<u>2020</u>
<u>From contract liabilities at the start of the year</u>		
Sale of properties	<u>\$ 12,627</u>	<u>\$ 47,495</u>

The credit risk management adopted by the Company for contract assets is the same as that for trade receivables, please refer to Note 10.

(II) Assets related to contract costs

	<u>2021</u>	<u>2020</u>
<u>Current</u>		
Incremental costs of obtaining contracts	<u>\$ 31,598</u>	<u>\$ -</u>

25. Net profit

(I) Interest income

	<u>2021</u>	<u>2020</u>
Bank deposits	\$ 1,728	\$ 1,786
Net investments in leases	1,231	1,723
Others	<u>17</u>	<u>23</u>
	<u>\$ 2,976</u>	<u>\$ 3,532</u>

(II) Other gains and losses

	<u>2021</u>	<u>2020</u>
Net foreign exchange losses	(\$ 169)	(\$ 201)
Net gains (losses) on financial assets at fair value through profit or loss	(326)	(31)
Others	<u>(30,995)</u>	<u>(50,318)</u>
	<u>(\$ 31,490)</u>	<u>(\$ 50,550)</u>

(III) Finance costs

	<u>2021</u>	<u>2020</u>
Interest on bank loans	\$ 308,238	\$ 371,885
Interest on lease liabilities	6,229	9,431
Others	52,235	35,768
Less: Amounts included in the cost of qualifying assets	<u>(13,891)</u>	<u>(10,105)</u>
	<u>\$ 352,811</u>	<u>\$ 406,979</u>

Relevant information on capitalization of interest is as follows:

	<u>2021</u>	<u>2020</u>
Capitalized interest amount	\$ 13,891	\$ 10,105
Capitalization rate	0.63%~1.99%	0.72%~2.04%
 (IV) Depreciation and amortization		
	<u>2021</u>	<u>2020</u>
An analysis of depreciation by function		
Operating costs	\$ 156,255	\$ 186,169
Operating expenses	<u>72,550</u>	<u>103,955</u>
	<u>\$ 228,805</u>	<u>\$ 290,124</u>
An analysis of amortization by function		
Operating costs	\$ -	\$ -
Operating expenses	<u>5,830</u>	<u>5,154</u>
	<u>\$ 5,830</u>	<u>\$ 5,154</u>
 (V) Employee benefits expense		
	<u>2021</u>	<u>2020</u>
Post-employment benefits (Note 22)		
Defined contribution plans	\$ 5,262	\$ 7,486
Defined benefit plans	92	128
Other employee benefits	<u>154,063</u>	<u>218,912</u>
Total employee benefits expenses	<u>\$ 159,417</u>	<u>\$ 226,526</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 123	\$ -
Operating expenses	<u>159,294</u>	<u>226,526</u>
	<u>\$ 159,417</u>	<u>\$ 226,526</u>

(VI) Employee compensation and remuneration of directors

If the Company records a profit in the year, it shall allocate no less than 0.5% of the balance for employee compensation, which shall be distributed in stock or cash as resolved by of the board of directors; the Company may allocate no more than 1% of said profit for the remuneration of directors as resolved by of the board of directors. The proposals for employee compensation and directors' remuneration shall be reported to the shareholders' meeting.

Where there is an accumulated loss, the profit shall be reserved to make up for the loss and the remuneration to employees and directors shall be provided in proportion in accordance with the aforementioned amount. The Company carries out the transfer of treasury shares to employees, employee stock options, employee remuneration, employee subscription of new shares, and restricted stock awards to employees of controlling or subordinate companies who meet certain conditions. These conditions are determined by the board of directors.

The 2021 estimated compensation and remuneration of employees and directors and 2020 compensation and remuneration of employees and directors resolved by the board of directors on March 26, 2021 are as follows:

	<u>2021</u>	<u>2020</u>
	Cash	Cash
Compensation of employees	\$ 1,000	\$ 7,200
Remuneration to directors	300	5,000

The actual amount of 2021 distribution of compensation and remuneration of employees and directors resolved by the board of directors on March 29, 2022 was \$1,300 thousand and \$600 thousand, which were different from the amounts recognized in the annual financial statements. As the differences were not significant, they were adjusted to profit or loss for 2022.

The actual amounts of distribution of compensation and remuneration to employees and directors for 2020 and 2019 resolved by the board of directors on March 26, 2021 and March 30, 2020 were not different from the amounts recognized in the parent only company financial reports for 2020 and 2019.

For the information on the Company's employee compensation and the remuneration of directors for 2021 and 2020 as resolved by the board resolutions, please visit the Market Observatory Post System (MOPS) of the Taiwan Stock Exchange.

26. Income tax

(I) Income tax recognized in profit or loss

Major components of income tax expenses are as follows:

	<u>2021</u>	<u>2020</u>
Tax currently payable		
In respect of the current year	\$ 2,175	\$ 21,451
Adjustments for prior year	(48)	(1,036)
Income tax expense recognized in profit or loss	<u>\$ 2,127</u>	<u>\$ 20,415</u>

The Company's reconciliation between the accounting income and the current income tax expense is as follows:

	<u>2021</u>	<u>2020</u>
Profit before income tax	<u>\$ 62,470</u>	<u>\$ 643,103</u>
Income tax expense calculated at the statutory rate (20%)	\$ 12,494	\$ 128,621
Nondeductible expense in determining taxable income	55,025	59,176
Tax- exempt income	(184,472)	(442,218)
Deductible temporary differences	9,842	148,614
Income tax on unappropriated earnings	213	1,879
Investment tax credits	(106)	(939)
Land value increment tax	2,068	20,511
Adjustments for prior year's tax	(48)	(1,036)
Loss carryforwards that cannot be retained	<u>107,111</u>	<u>105,807</u>
Income tax expense recognized in profit or loss	<u>\$ 2,127</u>	<u>\$ 20,415</u>

- (II) Deductible temporary differences, unused loss carryforwards, and unused investment tax credits for deferred tax assets not recognized in the parent company only balance sheet

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Loss carryforwards	<u>\$ 9,802,198</u>	<u>\$ 10,184,178</u>
Deductible temporary difference	<u>\$ 2,114,994</u>	<u>\$ 2,065,882</u>
Investment tax credits Major infrastructure projects	<u>\$ 137,094</u>	<u>\$ 137,200</u>

- (III) Information on unused investment tax credits, loss carryforwards, and tax exemptions

As of the end of 2021, the relevant information on income tax credits is as follows:

<u>Legal basis</u>	<u>Item</u>	<u>Balance before reduction</u>	<u>Final year for deduction</u>
Act for Promotion of Private Participation in Infrastructure Projects	Investment in major infrastructure projects	<u>\$ 57,094</u>	2022
Act for Promotion of Private Participation in Infrastructure Projects	Investment in major infrastructure projects	<u>\$ 80,000</u>	2023

As of the end of 2021, the relevant information on loss carryforwards:

Balance before deduction	Final year for deduction
<u>\$ 370,946</u>	2022
<u>\$ 3,456,070</u>	2023
<u>\$ 1,874,106</u>	2027
<u>\$ 4,101,076</u>	2028

(IV) Income tax approval

The profit-seeking enterprise income tax returns filed by the Company up to 2019 have been approved by the tax collection authority.

27. Earnings per share

	2021	2020
Basic earnings per share	<u>\$ 0.07</u>	<u>\$ 0.69</u>
Diluted earnings per share	<u>\$ 0.07</u>	<u>\$ 0.69</u>

Unit: NT\$ per share

The earnings and the weighted average number of ordinary shares used to calculate the earnings per share are as follows:

Net profit for the year

	2021	2020
Net profit in the computation of basic earnings per share	<u>\$ 60,343</u>	<u>\$ 622,688</u>

Number of shares

	2021	2020
Weighted average number of ordinary shares used in computation of basic earnings per share	900,064	903,349
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>243</u>	<u>739</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>900,307</u>	<u>904,088</u>

Unit: In thousands of shares

If the Company can settle the compensation to employees in cash or shares, the Company assumes the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share if the effect is dilutive.

Such a dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

28. Related party transactions

Except as disclosed in other notes, the transactions between the Company and related parties are as follows:

(I) Related party name and relationship

<u>Related party name</u>	<u>Relationship with the Company</u>
Joint operations of Titan and New Asia Construction & Development Corp. (hereinafter referred to as Joint Control and Operation of Fu-Jou Project in Banqiao)	Joint operator
Joint operations of Titan and CTCI Smart Engineering Corporation	Joint operator
KaGaYa	Subsidiaries
Ji-Shun	Subsidiaries
Titan	Subsidiaries
Far East	Subsidiaries
Xin-Xiu-Ge	Subsidiaries
Wan-Da-Tong	Subsidiaries
Li- Chiang	Subsidiaries
Zhao-Yao	Subsidiaries
Rih-Yao	Subsidiaries
Jing-Jan Hldg	Subsidiaries
Rih-Siang	Subsidiaries
Rih-Zuan	Subsidiaries
Wan-Tong	Subsidiaries
Jing-Ding	Subsidiaries
Rih-Ding Hldg	Subsidiaries
Rih-Ding Water	Sub-subsubsidiary
Ding-Sheng	Sub-subsubsidiary
Ji Sheng Zih Chan Development Co., Ltd.	Sub-subsubsidiary
Jing-Jan Retail Business Co., Ltd. (Jing-Jan)	Sub-subsubsidiary
Jing-Jan Digital Square Co., Ltd.	Sub-subsubsidiary
Prit Biotech Co., Ltd. (Prit)	Sub-subsubsidiary
Jing-Yang Apartment Building Management and Maintenance Co., Ltd.	Associate
Radium Foundation	Substantive related party
Lin Rong Shian	Substantive related party
Lin Loong-Huan	Substantive related party

(Continued)

<u>Related party name</u>	<u>Relationship with the Company</u>
Golden Century Co., Ltd.	Substantive related party
Ri-Jun Investment Co., Ltd.	Substantive related party
Jun-An Construction Development Co., Ltd.	Substantive related party
Changxin Investment Development Co., Ltd.	Substantive related party
Lee White Corporation	Substantive related party
Jing-Kang Development Investment Co., Ltd.	Substantive related party
Chic Stuff Incorporated	Substantive related party
Ding-Sheng Digital Life Co., Ltd.	Substantive related party
Jin-Hua-Tai Investment Co., Ltd.	Substantive related party
K. C. Chou	Substantive related party
Shen Ching-Peng	Substantive related party
Liu Yao-Kai	Substantive related party
Liu Wen-Chi	Substantive related party
An Ke-Chieh	Substantive related party
Ann Ching-I	Substantive related party

(II) Transactions with Related Parties

1) Property under development - outsourcing of projects and property under construction

2021

<u>Related party category/name</u>	<u>Nature of project</u>	<u>Amount paid in the current period</u>
Titan	Construction project	<u>\$ 155,227</u>

2020

<u>Related party category/name</u>	<u>Nature of project</u>	<u>Amount paid in the current period</u>
Titan	Construction project	<u>\$ 5,417</u>

2) Contract liabilities

As of December 31, 2021 and 2020, the total contract price (including tax) of the property sold by the Company to the substantive related parties was \$30,720 thousand and \$0, respectively. The contract liabilities (before tax) as of December 31, 2021 and 2020 were \$9,415 thousand and \$0, respectively.

3) Consultant fee income (shown as other income and reduction of expense accounts)

Related party category/name	2021	2020
Subsidiaries	\$ 25,257	\$ 48,108
Sub-subsidiary	<u>9,340</u>	<u>8,801</u>
	<u>\$ 34,597</u>	<u>\$ 56,909</u>

4) Operating expenses - property management and consultancy services

Related party category/name	2021	2020
Subsidiaries	\$ 28,840	\$ 4,459
Associate	<u>2,090</u>	<u>8,414</u>
	<u>\$ 30,930</u>	<u>\$ 12,873</u>

5) Operating expenses - donation

Related party category/name	2021	2020
Substantive related party	<u>\$ 5,182</u>	<u>\$ 5,182</u>

6) Operating expenses - rent expense

Related party category/name	2021	2020
Sub-subsidiary	<u>\$ 125</u>	<u>\$ 176</u>

7) Selling and marketing expenses - miscellaneous expense

Related party category/name	2021	2020
Titan	<u>\$ -</u>	<u>\$ 77,149</u>

8) Other income and deferred credits - gains between associates

2021

Item	Related party category/name	Amount	Realized gains (losses) for the year	Unrealized gains	Basis for recognition of unrealized gains
Project management income	Wan-Da-Tong	\$ 322,000	\$ 4,923	\$ 157,936	Sales rate and progress of T9 project
Revenue from payment and collection services	Wan-Da-Tong	2,111	32	1,036	Sales rate and progress of T9 project
Gains on disposals of investment property	Jing-Jan Retail	<u>1,125,329</u>	<u>(2,217)</u>	<u>1,127,546</u>	Disposal of shopping mall in MEHAS Project
		<u>\$ 1,449,440</u>	<u>\$ 2,738</u>	<u>\$ 1,286,518</u>	

2020

Item	Related party category/name	Amount	Realized gains for the year	Unrealized gains	Basis for recognition of unrealized gains
Project management income	Wan-Da-Tong	\$ 322,000	\$ 4,993	\$ 162,859	Sales rate and progress of T9 project
Revenue from payment and collection services	Wan-Da-Tong	2,111	33	1,068	Sales rate and progress of T9 project
Gains on disposals of investment property	Jing-Jan Retail	<u>1,125,329</u>	<u>-</u>	<u>1,125,329</u>	Disposal of shopping mall in MEHAS Project
		<u>\$ 1,449,440</u>	<u>\$ 5,026</u>	<u>\$ 1,289,256</u>	

9) Trade receivables from related parties

Related party category/name	December 31, 2021	December 31, 2020
Subsidiaries	<u>\$ 5,401</u>	<u>\$ 5,250</u>

10) Other receivables from related parties (excluding loans to related parties and contract assets)

Related party category/name	December 31, 2021	December 31, 2020
Subsidiaries	<u>\$ 446</u>	<u>\$ 275</u>

11) Trade payables to related parties

Related party category/name	December 31, 2021	December 31, 2020
Titan	<u>\$ 318,726</u>	<u>\$ 306,597</u>

12) Other payables to related parties (excluding borrowings from related parties)

Related party category/name	December 31, 2021	December 31, 2020
Subsidiaries	\$ 591	\$ 211
Sub-subsidiary	652	302
Associate	45	55
	<u>\$ 1,288</u>	<u>\$ 568</u>

13) Lease-in arrangements

Acquisition of right-of-use assets

Related party category/name	2021	2020
<u>Right-of-use assets</u>		
Subsidiaries	<u>\$ 31,333</u>	<u>\$ -</u>

Lease liabilities

Subsidiaries	<u>\$ 20,889</u>	<u>\$ -</u>
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Interest expenses

Substantive related party	<u>\$ -</u>	<u>\$ 196</u>
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Acquisition of investment properties - right-of-use assets

<u>Account title</u>	<u>Related party category/name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Lease liabilities	Substantive related party	<u>\$ 1,282</u>	<u>\$ 2,122</u>

<u>Related party category/name</u>	<u>2021</u>	<u>2020</u>
<u>Interest expenses</u>		
Substantive related party	<u>\$ 47</u>	<u>\$ 82</u>

14) Lease-out arrangements

Operating lease

<u>Related party category/name</u>	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>% of the account balance</u>	<u>Amount</u>	<u>% of the account balance</u>
KaGaYa	\$ 60,000	43	\$ 60,000	34
Jing-Jan	750	-	32,720	19
Subsidiaries	2,989	2	6,807	4
Sub-subsidiary	809	1	777	-
Substantive related party	<u>910</u>	<u>-</u>	<u>863</u>	<u>1</u>
	<u>\$ 65,458</u>	<u>46</u>	<u>\$ 101,167</u>	<u>58</u>

Compared with general non-related party transactions, there is no significant difference in the lease transactions between the Company and its related parties.

15) Others

- (1) As of December 31, 2021 and 2020, the related parties provided the assets below as collateral for the Company's loans and guarantees:

<u>Related party category/name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Substantive related party Lin Rong Shian et al.	Securities	Securities
Subsidiaries	Buildings and land in Beitou District, Taipei City, and securities	Buildings and land in Beitou District, Taipei City, and securities

- (2) The Company applied to banks for borrowings, short-term bills payable, and performance guarantee, with subsidiaries and substantive related party Lin Rong Shian et al. as the joint guarantors.

(3) As of December 31, 2021, KaGaYa issued a guarantee note of \$60,000 thousand for leasing a hot spring hotel from the Company.

(III) Disposal of investment properties

Related party category/name	Proceeds from disposal		Gain on disposal (Note)	
	2021	2020	2021	2020
Jing-Jan	\$ -	\$ 2,363,428	\$ -	\$ 1,125,329

Note: It is recognized in deferred credits - gains between associates.

(IV) Borrowings from related parties (recognized in other payables to related parties)

Related party category/name	December 31, 2021	December 31, 2020
Titan	\$ 200,000	\$ 180,000
Jing-Jan Hldg	180,000	340,000
Li- Chiang	-	110,000
	<u>\$ 380,000</u>	<u>\$ 630,000</u>

Related party category/name	2021	2020
<u>Interest expenses</u>		
Titan	\$ 6,076	\$ 187
Li- Chiang	1,434	2,305
Jing-Jan Hldg	1,224	2,370
Subsidiaries	-	4
	<u>\$ 8,734</u>	<u>\$ 4,866</u>

The borrowing interest rate of the Company's borrowings from related parties is equivalent to the market interest rate. All borrowings from related parties are unsecured ones.

(V) Endorsements and Guarantees

Endorsements and guarantees provided by the Company

Related party category/name	December 31, 2021	December 31, 2020
Subsidiaries		
Amount of guarantees	\$ 17,810,425	\$ 16,524,845
Actual amount borrowed	<u>\$ 17,810,425</u>	<u>\$ 16,524,845</u>

Endorsement s and Guarantees given by related parties

Related party category/name	December 31, 2021	December 31, 2020
Subsidiaries		
Amount of guarantees	\$ 3,186,000	\$ 4,371,000
Actual amount borrowed	<u>\$ 3,186,000</u>	<u>\$ 4,371,000</u>

(VI) Remuneration of key management personnel

The remuneration of directors and other key management personnel in 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 43,687	\$ 52,255
Post-employment benefits	<u>932</u>	<u>1,048</u>
Total	<u>\$ 44,619</u>	<u>\$ 53,303</u>

The remuneration of directors and key management personnel is proposed by the remuneration committee in accordance with individual performance and the Company's profitability, and then submitted to the board of directors for discussion and decision. For detailed information on the total remuneration paid to the above-mentioned key management personnel, please refer to the annual report of the shareholders' meeting.

29. Pledged assets

The assets below have been provided as collateral for the escrow, bank loans, and short-term bills payable:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets at amortized cost -current	\$ 662,511	\$ 8,424
Financial assets at amortized cost -non-current	1,679,170	2,248,075
Buildings and land held for sale	5,055,743	6,027,294
Property to be developed	316,757	497,981
Property under development	1,224,506	843,886
Investment properties	6,097,686	6,253,436
Property, plant and equipment	97,503	100,058
Investments accounted for using equity method	<u>7,592,460</u>	<u>8,368,093</u>
	<u>\$ 22,726,336</u>	<u>\$ 24,347,247</u>

30. Significant Commitments and Contingencies

Except for other notes, the significant commitments and contingencies of the Company at the end of the reporting period are as follows:

- (I) In December 2001, the Company signed an Investment Agreement of the Xindian Depot Joint Development, Xindian Line (MRT) with the Taipei City Government. Both parties discussed matters related to the joint development (Mehas Project) at the Xindian factory base of the Xindian Line of the MRT system. It was agreed that the Taipei City Government and other landlords would provide the land, and

the Company would invest in the construction of residential buildings, offices, and shopping malls. As of December 31, 2021 and 2020, the amount of the performance bond paid by the Company using certificates of time deposits was both \$118,703 thousand.

- (II) In December 2009, the Company signed the Land Development Investment Agreement for Daqiao Elementary Station, Xinzhuang Line (MRT). It was agreed that the Taipei City Government and other landlords would provide the land and the Company would invest in the construction of buildings. The Company and each landlord shall allocate the rights and interests in accordance with the agreed method. As of December 31, 2021 and 2020, the amount of the performance bond paid by the Company's using certificates of time deposits was both \$21,336 thousand.
- (III) The Company won the bid for the “District 1 and District 2 Land Tender for Fu-Jou Affordable Housing Project Investment Plan” in September 2011. As of December 31, 2021 and 2020, the amount of the performance bond paid by the Company's using certificates of time deposits was both \$29,877 thousand.

Some of the buyers of the Company’s first-floor units of the Fu-Jou Affordable Housing Project in Banciao filed a lawsuit for the termination of the sale and purchase contract. The Company has reached a settlement with most of the buyers who filed a lawsuit. There is currently only one lawsuit (one buyer) still on trial in the court of first instance. Some of the buyers filed lawsuits claiming the Company was late in notifying the date of the house handover and requested interest. At present, a lawsuit is under trial in the first-instance court; two lawsuits are abandoned by the Supreme Court pending retrial by the High Court; and one lawsuit is under trail in the third-instance court.

- (IV) The Company and Ji-Shun and the Taichung City Government signed the” The Land Development Project of WuRi WenXin BeiTun Line G6 and G8a Station of TaiChung Mass Rapid Transit Systems” in December 2021. As of December 31, 2020, the Company has paid the performance bond for the Taichung City Government Wenxin Chongde Station (G6) and Wenxin Yinghua Station (G8a) project in the amount of \$5,165 thousand and \$4,087 thousand, respectively.
- (V) The Company entered into a Commissioning Contract for New Urban Renewal Project Executor for 25 lots (formerly 28 lots) of land at 2 sections of Gongyuan Section, Zhongzheng District, Taipei City with Cathay United Bank in May 2021.

The allocation of related rights and interests of the entire project are handled by means of a rights exchange in accordance with the Urban Renewal Act as of December 31, 2021, the amount of the performance guarantee issued by the bank as the performance bond was \$60,000 thousand.

- (VI) The Company and Ji-Shun and the Taichung City Government signed the "The Land Development Project of WuRi WenXin BeiTun Line Station NanTun Station (G11) of Taichung Mass Rapid Transit Systems" in September 2021. As of December 31, 2021, the amount of the performance bond paid by the Company using certificates of time deposits was \$7,042 thousand.
- (VII) As of December 31, 2021, the Company entered into a construction contract with Titan for the construction of buildings. The total contract price was \$2,164,095 thousand, and the unpaid amount was \$2,003,451 thousand.

31. Capital management

The Company must maintain a large amount of capital to meet the needs for new construction projects and other relevant projects. Therefore, the Company's capital management aims to ensure that it has the necessary financial resources and operating plans to support the needs for working capital, capital expenditures, debt repayment, and dividend payments required for the next operating cycle.

In order to meet the capital needs during the construction period, the Company responds to the needs with loans from financial institutions and its own funds, resulting in a debt ratio that is relatively higher than the general industry level. However, after the completion of the construction project, handover of the project, and repayment of loans from financial institutions, the debt ratio will decrease significantly. In order to avoid the potential market risk arising from the Company's over-reliance on the borrowings from financial institutions, and to appropriately control the Company's interest expenses, the Company will use financing devices in the capital market in a timely manner to adjust the debt ratio and the proportions of the capital structure.

32. Financial instruments

- (I) Fair value—financial instruments not at fair value

The Company's management believes that the carrying amount of the Company's financial assets and liabilities measured not at fair value is close to their fair value.

- (II) Fair value—financial instruments at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Fund beneficiary certificates	\$ <u>8,694</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>8,694</u>
Financial assets at FVTOCI				
Investment in equity instruments				
- Domestic unlisted shares	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,100</u>	\$ <u>5,100</u>

December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Fund beneficiary certificates	\$ <u>2,969</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,969</u>
Financial assets at FVTOCI				
Investment in equity instruments				
- Domestic unlisted shares	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,100</u>	\$ <u>5,100</u>

There were no transfers between Level 1 and Level 2 fair value measurements as of December 31, 2021 and 2020.

2) Valuation techniques and inputs applied for Level 3 fair value measurement

Domestic unlisted equity investment is based on the asset method to evaluate the total value of individual assets and individual liabilities covered by the target in the valuation to reflect the overall value of a company or business. Significant unobservable inputs include liquidity discounts. When these unobservable inputs decrease, the fair value of such investments will increase.

(III) Categories of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily at FVTPL	\$ 8,694	\$ 2,969
Financial assets at amortized cost (Note 1)	3,064,824	3,783,722
Financial assets at FVTOCI		
Investment in equity instruments	5,100	5,100
<u>Financial liabilities</u>		
Guarantee deposits received (Note 2)	19,627	17,962
Financial liabilities at amortized cost (Note 3)	22,524,525	23,305,325

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, and refundable deposits.

Note 2: The balances include guarantee deposits received recognized in other current liabilities and non-current liabilities.

Note 3: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade payables, other payables, long-term liabilities maturing within one year or one business cycle, bonds maturing or exercising buyback rights within one year or one business cycle, and bonds payable, bonds payable, and long-term borrowings.

(IV) Financial risk management objective and policies

The Company's main financial instruments include investments in equity and debt instruments, trade receivables, trade payables, bonds payable, and borrowings. The Company's financial management department provides services to various business units, coordinates the operations in the domestic and international financial markets, and supervises and manages the financial risks related to the Company's operations through the internal reports on risk exposure analyses based on the degree and breadth of risks. These risks include market risk, credit risk, and liquidity risk.

1) Market risk

The main financial risk for the Company's operating activities are the risk of changes in interest rates. Because the entities in the Company borrow funds at fixed and floating interest rates at the same time, leading to exposure to the interest rate risk. The Company manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates. The Company regularly evaluates hedging activities to align them with the interest rate view and established risk preferences to ensure that the most cost-effective hedging strategy is adopted.

The carrying amounts of the financial assets and financial liabilities of the Company exposed to the interest rate risk at the end of the reporting period are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Fair value interest rate</u>		
<u>risk</u>		
-Financial assets	\$ 140,785	\$ 140,753
-Financial liabilities	8,478,104	6,119,855
 <u>Cash flow interest rate</u>		
<u>risk</u>		
-Financial assets	2,798,428	3,549,971
-Financial liabilities	12,330,408	15,318,598

Sensitivity analysis

The sensitivity analysis below is determined based on the exposure to the interest rate risk of derivative and non-derivative instruments at the end of the year. For liabilities with floating interest rates, the analysis method is based on the assumption that the amount of liabilities outstanding at the end of the year is outstanding throughout the reporting period. The sensitivity to a 100-basis point change in interest rate is used when reporting the interest rate risk internally to key management personnel and also represents the management's assessment of the reasonably possible change in interest rates.

If the interest rate increased by 100 basis points and all other variables remain unchanged, the Company's net income before tax for 2021 and 2020 would have decreased by \$95,320 thousand and \$117,686 thousand, respectively, mainly because of the variable interest rate of the Company's borrowings.

The Company's sensitivity to interest rates rose during the current period, mainly due to the increase in liabilities at variable interest rates.

2) Credit risk

The Company's main potential credit risk arise from financial products, such as cash in banks, notes receivable, and trade receivables. The Company's cash is deposited in different financial institutions, and the transaction counterparties are financial institutions with good credit ratings, so it is expected that no significant credit risk will arise. The Company controls the credit risk exposed to each financial institution, and believes that its cash in banks is no significant credit risk of concentration of certain banks. In order to reduce the credit risk of trade receivables, the Company continuously evaluates customers' financial position, and regularly evaluates the possibility of the

recovery of trade receivables and provides allowances for bad debts, so the possibility of occurrence of the credit risk is extremely low.

3) Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the impact of cash flow fluctuations. The management of the Company monitors the use of the bank financing facilities and ensures compliance with the terms of the borrowing terms.

As of December 31, 2021 and 2020, the undrawn financing facilities (including financing projects) of the Company were \$1,276,200 thousand and \$2,652,400 thousand, respectively.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Company might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank borrowings with a repayment on demand clause were included in the earliest time period in the table below, regardless of the probability of exercise of the right by banks. The maturity analysis of other non-derivative financial liabilities was compiled in accordance with the agreed repayment date.

For interest cash flows paid at floating interest rates, the undiscounted amount of interest is derived from the yield curve at the end of year.

December 31, 2021

	On demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 152,968	\$ 92,859	\$ 914,907	\$ 512,933	\$ -
Lease liabilities	9,996	19,991	89,139	79,165	-
Variable interest rate liabilities	231,570	144,344	6,622,299	5,095,816	242,129
Fixed interest rate liabilities	745,100	1,120,300	1,994,800	4,620,000	-
	<u>\$1,139,634</u>	<u>\$1,377,494</u>	<u>\$9,621,145</u>	<u>\$10,307,914</u>	<u>\$ 242,129</u>

Further information on the analysis of lease liabilities maturity is as follows:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years
Lease liabilities	<u>\$119,126</u>	<u>\$ 79,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2020

	On demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 123,633	\$ 3,913	\$ 853,293	\$ 825,465	\$ 120
Lease liabilities	9,643	18,695	82,535	176,138	-
Variable interest rate liabilities	603,250	694,062	2,785,226	10,715,213	534,000
Fixed interest rate liabilities	-	-	-	6,120,000	-
	<u>\$ 736,526</u>	<u>\$ 716,670</u>	<u>\$ 3,721,054</u>	<u>\$ 17,836,816</u>	<u>\$ 534,120</u>

Further information on the analysis of lease liabilities maturity is as follows:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years
Lease liabilities	<u>\$110,873</u>	<u>\$176,138</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

33. Separately disclosed items

(I) Information on significant transactions in the current year and (II) Information on investees:

1. Financing provided to others: Table 1.
2. Endorsements/Guarantees provided: Table 2.
3. Marketable securities held at the end of period: Table 3.
4. Marketable securities acquired or disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital: Table 4.
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.

7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
 8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 6.
 9. Trading in derivative instruments: None.
 10. Information on investees: Table 7
- (II) Information on investments in Mainland China
1. Information on any investee in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current income or loss and investment income or loss recognized, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 8.
 2. Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.
- (III) Information of major shareholders: List of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: Table 9.

Table 1

Radium Life Tech Co., Ltd. and Investees
Financing Provided to Others
For the Year ended December 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
1	Titan Development and Construction Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Other receivables from related parties	Yes	\$ 340,000	\$ 100,000	\$ 50,000	2.6000%-5.3500%	Short-term financing	\$ -	Operating capital	\$ -	None	\$ -	\$ 734,807	\$ 734,807
1	Titan Development and Construction Co., Ltd.	Radium-Kagaya International Hotel Co., Ltd.	Other receivables from related parties	Yes	20,000	-	-	2.3500%-5.3500%	Short-term financing	-	Operating capital	-	None	-	734,807	734,807
1	Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Other receivables from related parties	Yes	190,000	-	-	2.3500%-5.3500%	Short-term financing	-	Operating capital	-	None	-	734,807	734,807
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	Other receivables from related parties	Yes	380,000	350,000	200,000	4.4140%-5.3500%	Short-term financing	-	Operating capital	-	None	-	734,807	734,807
1	Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Other receivables from related parties	Yes	260,000	50,000	-	4.4140%	Short-term financing	-	Operating capital	-	None	-	734,807	734,807
2	Radium Far East Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Other receivables from related parties	Yes	120,000	60,000	60,000	2.9880%-3.2880%	Short-term financing	-	Operating capital	-	None	-	167,691	167,691
2	Radium Far East Co., Ltd.	Zhao Yao Enterprise Co., Ltd.	Other receivables from related parties	Yes	10,000	-	-	2.9880%-3.2880%	Short-term financing	-	Operating capital	-	None	-	167,691	167,691
2	Radium Far East Co., Ltd.	Rih Yao Development Co., Ltd.	Other receivables from related parties	Yes	10,000	10,000	10,000	2.9880%-3.2880%	Short-term financing	-	Operating capital	-	None	-	167,691	167,691
3	Jing-Jan Investment Holdings Co., Ltd.	Radium Life Tech Co., Ltd.	Other receivables from related parties	Yes	500,000	500,000	180,000	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457	2,266,457
3	Jing-Jan Investment Holdings Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Other receivables from related parties	Yes	400,000	300,000	50,000	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457	2,266,457
3	Jing-Jan Investment Holdings Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Other receivables from related parties	Yes	150,000	-	-	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457	2,266,457
3	Jing-Jan Investment Holdings Co., Ltd.	Rih Zuan Green Energy Technology Co., Ltd.	Other receivables from related parties	Yes	30,000	10,000	10,000	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457	2,266,457
3	Jing-Jan Investment Holdings Co., Ltd.	Zhao Yao Enterprise Co., Ltd.	Other receivables from related parties	Yes	100,000	-	-	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457	2,266,457
4	Li Chiang Development Co., Ltd.	Radium Life Tech Co., Ltd.	Other receivables from related parties	Yes	130,000	-	-	2.4500%-2.8500%	Short-term financing	-	Operating capital	-	None	-	190,476	190,476
4	Li Chiang Development Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Other receivables from related parties	Yes	80,000	80,000	60,000	2.4500%	Short-term financing	-	Operating capital	-	None	-	190,476	190,476
5	Rih Siang Property Management Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Other receivables from related parties	Yes	120,000	-	-	2.6797%-2.7525%	Short-term financing	-	Operating capital	-	None	-	767,562	767,562
5	Rih Siang Property Management Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Other receivables from related parties	Yes	310,000	190,000	160,000	2.3291%-2.7525%	Short-term financing	-	Operating capital	-	None	-	767,562	767,562
5	Rih Siang Property Management Co., Ltd.	Rih Yao Development Co., Ltd.	Other receivables from related parties	Yes	150,000	100,000	40,000	2.3291%-2.9440%	Short-term financing	-	Operating capital	-	None	-	767,562	767,562
6	Ji Sheng Zhi Chan Development Co., Ltd.	Rih Yao Development Co., Ltd.	Other receivables from related parties	Yes	20,000	10,000	10,000	0.1750%-0.3593%	Short-term financing	-	Operating capital	-	None	-	32,460	32,460
7	PritBiotech Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Other receivables from related parties	Yes	70,000	40,000	40,000	1.2550%	Short-term financing	-	Operating capital	-	None	-	61,433	61,433

Note 1: The Company's and its subsidiaries' cumulative balance of financing provided and the total amount of financing provided to the same borrower shall not exceed 40% of the net worth of each company as stated in most recent financial statements verified by CPAs.

Table 2

Radium Life Tech Co., Ltd. and Investees
Endorsements/Guarantees Provided
For the Year ended December 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China
		Company name	Relationship										
0	Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	Subsidiary in which at least 50% of equity is held	\$ 33,498,999	\$ 1,469,000	\$ 860,000	\$ 860,000	\$ 300,000	7.70%	\$ 66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Rih Yao Development Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	904,250	904,250	904,250	-	8.10%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Xin Xiu Ge Hotel Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	88,000	88,000	88,000	-	0.79%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Sub-subsidiary company in which at least 50% of equity is held	33,498,999	17,030,000	9,820,000	9,820,000	-	87.94%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Rih Siang Property Management Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	1,982,350	1,826,000	1,826,000	-	16.35%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Zhao Yao Enterprise Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	1,836,000	1,836,000	1,836,000	-	16.44%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	2,297,865	1,903,215	1,903,215	-	17.04%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Radium-Kagaya International Hotel Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	130,000	50,000	50,000	-	0.45%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Subsidiary in which at least 50% of consolidated equity is held	33,498,999	475,260	475,260	475,260	-	4.26%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Rih Zuan Green Energy Technology Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	58,000	47,700	47,700	-	0.43%	66,997,998	Y	N	N
1	Ji Shun Life Tech Co., Ltd.	Ji Sheng Zih Chan Development Co., Ltd.	Subsidiary in which at least 50% of equity is held	2,527,880	268,000	134,000	134,000	81,711	15.90%	5,055,759	N	N	N
2	Xin Xiu Ge Hotel Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company in which at least 50% of equity is held	123,643	120,000	120,000	120,000	302	291.16%	247,286	N	Y	N
3	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company in which at least 50% of equity is held	5,511,052	1,066,000	186,000	186,000	186,000	10.13%	11,022,104	N	Y	N
4	Jing-Jan Investment Holdings Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company in which at least 50% of equity is held	16,998,425	3,135,000	2,880,000	2,880,000	2,880,000	50.83%	33,996,849	N	Y	N
5	Li Chiang Development Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company in which at least 50% of equity is held	1,428,571	50,000	-	-	-	-	2,857,142	N	Y	N

Note 1: The amount of the Company's or its subsidiaries' endorsements/guarantees to a single enterprise is limited to 3 times the net worth of each company as stated in most recent financial statements verified by CPAs.

Note 2: The total amount of endorsements/guarantees by the Company or its subsidiaries is limited to not more than 6 times the net worth of each company as stated in most recent financial statements verified by CPAs.

Table 3

Radium Life Tech Co., Ltd. and Investees
 Marketable Securities Held
 December 31, 2021
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with Holding Company	Financial Statement Account	Ending Balance			Note
				Number of Shares or Units (in Thousands)	Carrying Amount	Percentage of Ownership (%)	
Radium Life Tech Co., Ltd.	<u>Stock</u> Linkou Recreation Enterprise Co., Ltd.	None	Financial assets at FVTOCI - Non-current	-	\$ 5,100	-	\$ 5,100
Titan Development and Construction Co., Ltd.	<u>Stock</u> Xantia Corporation	None	Financial assets at FVTOCI - Non-current	55	-	0.07%	-
PritBiotech Co., Ltd.	<u>Stock</u> Tsinghua Life Technology Co., Ltd.	None	Financial assets at FVTOCI - Non-current	3	139	2.50%	139
PritBiotech Co., Ltd.	<u>Stock</u> Deyang Biotechnology Venture Capital Co., Ltd.	None	Financial assets at FVTOCI - Non-current	118	1,434	3.70%	1,434
PritBiotech Co., Ltd.	<u>Stock</u> Shih Jui Biotech Corp. Ltd.	None	Financial assets at FVTOCI - Non-current	50	-	16.67%	-
Radium Far East Co., Ltd.	<u>Stock</u> Mega Growth Venture Capital Co., Ltd.	None	Financial assets at FVTOCI - Non-current	5,000	50,560	3.94%	50,560
Ji Shun Life Tech Co., Ltd.	<u>Fund</u> Mega Danish Covered Mortgage Bond Index Fund	None	Financial assets at FVTPL - current	500	4,706	-	4,706
Radium Life Tech Co., Ltd.	<u>Fund</u> TCB US Short Duration High Yield Bond Fund	None	Financial assets at FVTPL - current	300	2,997	-	2,997
Radium Life Tech Co., Ltd.	<u>Fund</u> Taishin ESG Emerging Markets Bond Fund	None	Financial assets at FVTPL - current	300	2,752	-	2,752
Radium Life Tech Co., Ltd.	<u>Fund</u> KGI ESG Sustainable Emerging Market Bond Fund	None	Financial assets at FVTPL - current	300	2,944	-	2,944
Jing-Jan Retail Business Co., Ltd.	<u>Fund</u> Taiwan Business Bank Eastspring Investments India Bond Fund	None	Financial assets at FVTPL - current	500	4,930	-	4,930

Note 1: Refer to Tables 8 and 9 for the information on subsidiaries and associates.

Table 4

Radium Life Tech Co., Ltd. and Investees
 Marketable Securities Acquired or Disposed of at Costs or Prices at Least NT\$300 Million or 20% of the Paid-in Capital
 For the Year ended December 31, 2021
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal		Others		Ending Balance	
					Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount
Radium Life Tech Co., Ltd.	Stock Rih Ding Circular Economy Investment Holding Co., Ltd.	Investments accounted for the equity method	Rih Ding Circular Economy Investment Holding Co., Ltd.	Subsidiary	63,500	\$5,713,974	4,800	\$450,336 (Note 2)	-	\$ -	-	\$135,556 (Note 3)	68,300	\$6,299,866

Note 1: The securities mentioned in this table refer to stocks, bills, beneficiary certificates, and securities derived from the items above.

Note 2: It is the issuance of ordinary shares in the current period.

Note 3: It is the share of comprehensive income recognized by the company using the equity method of \$690,556 thousand and cash dividends of \$555,000 thousand.

Table 5

Radium Life Tech Co., Ltd. and Investees
 Total Purchases from or Sales to Related Parties Amounting to at Least NTS100 Million or 20% of the Paid-in Capital
 For the Year ended December 31, 2021
 (In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details (Note 1)		Abnormal Unit Price	Transaction Payment Terms	Note/Trade receivables (Payable)		Note
			Purchase/Sale	Amount			% of Total	Ending Balance	
Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	Subsidiary	Construction costs	\$ 155,227	100.00%	As agreed in contract	(\$ 318,726)	(92.08%)	
Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Associate	Sales	(473,056)	(37.88%)	As agreed in contract	115,790	48.40%	
Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Associate	Sales	(382,295)	(30.62%)	As agreed in contract	50,643	21.17%	
Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company	Sales	(271,735)	(21.76%)	As agreed in contract	72,786	30.43%	
Wan Da Tong Enterprise Co., Ltd.	Jing-Jan Retail Business Co., Ltd.	Associate	Sales	(498,296)	(61.61%)	As agreed in contract	30	4.39%	
Rih Ding Water Enterprise Co., Ltd.	Titan Development and Construction Co., Ltd.	Associate	Construction costs	699,103	95.61%	As agreed in contract	(442,110)	(89.29%)	
Ji Shun Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	Associate	Construction costs	467,252	100.00%	As agreed in contract	(157,322)	(97.03%)	
Ding Sheng Green Energy Technology Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Associate	Sales	(123,771)	(100.00%)	As agreed in contract	31,426	100.00%	

Note 1: Since there was no relevant identical transaction to follow for the unit price of purchases from and sales to related parties, the transaction conditions were negotiated and determined by both parties.

Table 6

Radium Life Tech Co., Ltd. and Investees
 Receivables from Related Parties Amounting to at Least NT\$100 million or 20% of the Paid-in Capital
 December 31, 2021
 (In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company	\$ 200,000	-	\$ -	-	\$ -	As of January 28, 2022 (Note 1)	
Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Associate	115,790	1.93	-	-	62,084	As of January 28, 2022	
Rih Siang Property Management Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Associate	160,000	-	-	-	-	As of January 28, 2022 (Note 1)	
Jing-Jan Investment Holdings Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company	180,000	-	-	-	-	As of January 28, 2022 (Note 1)	

Note 1: Other receivables.

Table 7

Radium Life Tech Co., Ltd. and Investees
Information on Investees

For the Year ended December 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Number of Shares (in Thousands)	As of December 31, 2021		Share of profit (loss)	Note
				December 31, 2021	December 31, 2020		Percentage (%)	Carrying Amount		
Radium Life Tech Co., Ltd.	Ji Shun Life Tech Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	\$ 318,000	\$ 318,000	70,000	100.00%	\$ 126,988	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Li Chiang Development Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	1,000,000	1,000,000	100,000	100.00%	(43,990)	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Rih Yao Development Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	950,000	950,000	95,000	100.00%	(65,286)	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Radium Far East Co., Ltd.	5F-2, No. 270, Section 4, Zhongxiao East Road, Taipei City	Housing and Building Development and Rental	1,113,455	1,113,455	38,773	99.93%	(18,979)	Subsidiary (Notes 1 & 2)	
Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	5F-2, No. 270, Section 4, Zhongxiao East Road, Taipei City	Civil engineering and construction	968,650	968,650	120,000	100.00%	34,315	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Development of the T9 land in the dedicated area of the Taipei Main Station	1,248,666	1,248,666	148,000	28.35%	219,934	Subsidiary (Notes 1 & 3)	
Radium Life Tech Co., Ltd.	Radium-Kagaya International Hotel Co., Ltd.	No. 236, Guangming Road, Beitou District, Taipei City, Taiwan	Hot Spring Hotel	953,363	953,363	15,000	100.00%	(755)	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Zhao Yao Enterprise Co., Ltd.	3F-11F, No. 23, Lane 27, Section 4, Ren'ai Road, Daan District, Taipei City; No. 25, 3F-11F, No. 25, Lane 27, Section 4, Ren'ai Road, Daan District, Taipei City; 2F-14F, No. 237 Lane 27, Section 4, Ren'ai Road, Daan District, Taipei City	Housing and Building Development and Rental	2,350,000	2,350,000	235,000	100.00%	(41,701)	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	CLEVER BASE INVESTMENTS LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Asia, Samoa	Investment	-	USD 2,080	-	-	(324)	Subsidiary (Notes 1 & 7)	
Radium Life Tech Co., Ltd.	Xin Xiu Ge Hotel Co., Ltd.	No. 238, Guangming Road, Beitou District, Taipei City, Taiwan	Hotel	421,500	421,500	125	100.00%	(3,791)	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Jing-Jan Investment Holdings Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Investment	3,039,339	3,039,339	91,590	61.06%	200,954	Subsidiary (Notes 1 & 10)	
Radium Life Tech Co., Ltd.	Rih Siang Property Management Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	2,300,000	2,300,000	230,000	100.00%	(13,395)	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Rih Zhan Green Energy Technology Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Taipei City	Energy Technical Services	40,500	40,500	4,050	90.00%	2,678	Subsidiary (Note 1)	
Radium Life Tech Co., Ltd.	Wan Tong Digital Technology Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Taipei City	Retail	-	27,000	-	-	(1,202)	Subsidiary (Notes 1 & 8)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Share of profit (loss)	Note
				December 31, 2021	December 31, 2020	Number of Shares (in Thousands)	Percentage (%)	Carrying Amount		
Radium Life Tech Co., Ltd.	Rih Ding Circular Economy Investment Holding Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Datong District, Taipei City	Investment	\$ 5,547,533	\$ 5,097,197	\$ 68,300	100.00%	\$ 6,299,866	\$ 690,555	Subsidiary (Note 1)
Radium Life Tech Co., Ltd.	Jing Ding Green Energy Technology Co., Ltd.	No. 76, Pinghe 1st Street, Changhua City, Changhua County	Energy Technical Services	7,400	7,400	740	37.00%	6,871	(888)	Subsidiary (Note 1)
Titan Development and Construction Co., Ltd.	Jing-Jan Investment Holdings Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Investment	1,832,017	1,832,017	55,195	36.80%	2,085,140	200,954	Subsidiary (Notes 1 & 11)
Ji Shun Life Tech Co., Ltd.	Ji Sheng Zih Chan Development Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	87,000	87,000	8,700	100.00%	81,149	(562)	Sub-subsubsidiary (Note 1)
Ji Shun Life Tech Co., Ltd.	Jing-Yang Apartment Building Management and Maintenance Co., Ltd.	10F-1, No. 106, Section 6, Roosevelt Road, Wenshan District, Taipei City	Condominium buildings management service	9,800	9,800	980	49.00%	13,034	6,559	(Note 1)
Jing-Jan Investment Holdings Co., Ltd.	Jing-Jan Retail Business Co., Ltd.	No. 1, Section 1, Chengde Road, Taipei City	Shopping mall business	509,201	509,201	45,001	75.00%	762,309	55,979	Sub-subsubsidiary (Note 1)
Jing-Jan Investment Holdings Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Development of the T9 land in the dedicated area of the Taipei Main Station	4,295,288	4,295,288	374,015	71.65%	4,460,536	219,934	Subsidiary (Note 1)
Jing-Jan Retail Business Co., Ltd.	Jing-Jan Digital Square Co., Ltd.	4F No. 1, Section 1, Chengde Road, Datong District, Taipei City	Retail	50,000	50,000	2,000	100.00%	18,991	1,860	Sub-subsubsidiary (Note 1)
CLEVER BASE INVESTMENTS LIMITED	Rih Ding Investments Limited	15/F, BOC Group Life Assurance Tower, 136 Des Voeux Road Central, Hong Kong	Investment	-	USD 30	-	-	-	-	Sub-subsubsidiary (Notes 1 & 6)
Radium Far East Co., Ltd.	PritBiotech Co., Ltd.	3F-1, No.50, Lane 462, Gongyi Road, Zhunan Town, Miaoli County	Biotechnology and cosmetic manufacturing	90,000	90,000	9,000	37.31%	69,360	(24,664)	Sub-subsubsidiary (Notes 1 & 9)
Rih Ding Circular Economy Investment Holding Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	No. 177, Section 1, Fuhua Road, Luzhu District, Taoyuan City	Investment in and construction and operation of public works construction	5,027,699	5,027,699	520,740	100.00%	6,229,105	682,000	Sub-subsubsidiary (Note 1)
Rih Ding Circular Economy Investment Holding Co., Ltd.	Ding Sheng Green Energy Technology Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Taipei City	Energy Technical Services	49,913	49,913	5,000	100.00%	61,909	9,434	Sub-subsubsidiary (Note 1)
Ding Sheng Green Energy Technology Co., Ltd.	Jing Ding Green Energy Technology Co., Ltd.	No. 76, Pinghe 1st Street, Changhua City, Changhua County	Energy Technical Services	6,600	6,600	660	33.00%	6,128	(888)	Subsidiary (Note 1)

Note 1: It is calculated based on the investees' financial statements audited by CPAs for the same period and the Company's shareholding ratio.

Note 2: The accumulated impairment of \$130,802 thousand has not yet been deducted from the carrying amount.

Note 3: The unrealized gains between associates of \$158,972 thousand has not yet been deducted from the carrying amount.

Note 4: Information on investees in mainland China is detailed in Table 9.

Note 5: Except for Jing-Yang Apartment Building Management and Maintenance Co., Ltd., the securities held above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Note 6: The deregistration of Rih-Ding Investments Limited was completed on February 25, 2021.

Note 7: The deregistration of Clever Base was completed on June 8, 2021.

Note 8: Wan Tong Digital registered for its dissolution on April 26, 2021 and obtained a letter of liquidation letter from the court on January 25, 2022.

Note 9: The accumulated impairment of \$12,460 thousand has not yet been deducted from the carrying amount.

Note 10: The unrealized gains between associates of \$1,127,546 thousand has not yet been deducted from the carrying amount.

Note 11: The unrealized gains between associates of \$139,118 thousand has not yet been deducted from the carrying amount.

Table 8

Radium Life Tech Co., Ltd. and Investees
Information on investments in Mainland China
For the Year ended December 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-In Capital	Method of Investments	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gains (Losses) (Note 2)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outward	Inward						
LiJiang Business Consulting (Shanghai) Limited.	Business and Corporate Management Consulting Services	\$ 52,288 (US\$1,700,000)	Note 1(1)	\$ 52,288 (US\$1,700,000)	\$ -	\$ -	\$ 52,288 (US\$1,700,000)	(\$ 439)	100%	(\$ 439) (2)B	\$ 2,497	\$ -

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
NT\$56,848 (US\$1,840,000) (Note 6)	NT\$51,208 (US\$1,850,000) (Note 4)	\$ 6,699,800 (Note 5)

Note 1: Investment methods are divided into the following three types, just enter the code:

- (1) Direct investment in mainland China.
- (2) Indirect investment in mainland China through third-region companies.
- (3) Other methods.

Note 2: In the field "Investment Gains/Losses Recognized for Current Period"

- (1) If it is under preparation and there is no investment gain or loss, it shall be indicated.
- (2) The recognition basis of investment gains and losses is divided into the following three types, which shall be indicated.
 - A. Financial statements audited and attested by any international accounting firms with partnership with any accounting firm of the Republic of China.
 - B. Financial statements audited and attested by CPAs appointed by the parent company in Taiwan.
 - C. Others.

Note 3: The relevant figures in this table shall be presented in New Taiwan dollars.

Note 4: The exchange rate is based on the average spot buying/selling exchange rate of the Bank of Taiwan on December 31, 2021. In addition, the limit approved by the Investment Commission is in foreign currency, and the investment amount had not exceeded the limit as of the current period.

Note 5: It is 60% of the net equity of the Company.

Note 6: The deregistration of Wan-Da-Tong (Xiamen) Enterprise Co., Ltd. was completed on November 22, 2019, and its registered capital of US\$140,000 was not remitted back to Taiwan due to losses.

Table 9

Radium Life Tech Co., Ltd.

Information on Major Shareholders

December 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Lin Rong Shian	110,524,167	12.27%
CTBC Bank Co., Ltd. In custody for Verivia PCC	84,031,547	9.33%
Golden Century Co., Ltd.	58,223,051	6.46%
Ding-Sheng Digital Life Co., Ltd.	49,260,000	5.47%

Note 1: The major shareholders in this table are shareholders holding at least 5% of the ordinary and preference shares (including treasury shares) with dematerialized registration and delivery completed on the last business day of the quarter calculated by the Taiwan Depository & Clearing Corporation. The share capital recorded in the Company's parent company only financial statements and the number of shares actually delivered by the Company with the dematerialized registration completed may differ due to different calculation bases.

Note 2: For the information above, where a shareholder transfers the shares to a trust, the trustor's individual account opened by the trustee shall be disclosed. As for the insider declaration of the ownership percentage over 10% in accordance with the Securities and Exchange Act, including the shares on hand and those being put in the trust, and the right to use the trust asset, please refer to the declaration information on MOPS.

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Statement 1

Radium Life Tech Co., Ltd.
Statement of Cash and Cash Equivalents
For the Year Ended December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount
Cash on hand	\$ 306
Petty cash	1,190
Demand deposits	418,019
Checking accounts	1,754
Foreign currency deposits	<u>8,626</u>
Total	<u>\$ 429,895</u>

Radium Life Tech Co., Ltd.

Statement of Changes in Property Under Development

2021

(In Thousands of New Taiwan Dollars)

	Balance at January 1,2021	Cost of Project	Capitalized Interest	Allowance for inventory valuation losses	Balance at December 31,2021
Sanzhi Project - East Side	<u>\$ 843,886</u>	<u>\$ 175,970</u>	<u>\$ 9,915</u>	<u>\$ -</u>	<u>\$1,029,771</u>
Sanzhi Project - West Side	<u>\$ -</u>	<u>\$ 303,086</u>	<u>\$ 3,976</u>	<u>(\$ 112,327)</u>	<u>\$ 194,735</u>

Radium Life Tech Co., Ltd.
Statement of Changes in Investments Accounted for Using Equity Method
2021
(In Thousands of New Taiwan Dollars)

Investees	Changes in Investments										Note	
	Balance at January 1, 2021		Number of Shares (in Thousands)	Amount of Increase (Decrease)	Investment Gains (Losses)	Cumulative Translation Adjustment	Others (Note 1)	Number of Shares (in Thousands)	Ownership (%)	Amount		Net Equity
	Number of Shares (in Thousands)	Amount										
Ji-Shun	70,000	\$ 716,492	-	\$ -	\$ 126,988	\$ -	\$ -	100	\$ 843,480	\$ 842,627		
Li-Chiang	100,000	520,180	-	(43,990)	-	-	-	100	476,190	476,190		
Rih-Yao	95,000	748,458	-	(65,286)	-	-	-	100	683,172	683,172		
Far East	38,773	624,249	-	(18,979)	(1,673)	(1,673)	38,773	99.93	603,597	419,227	Note 2	
Titan	120,000	1,249,678	(110,000)	38,306	-	370	120,000	100	1,178,354	1,837,017	Note 2	
Wan-Da-Tong	148,000	1,760,682	(58,121)	62,355	-	-	148,000	28.35	1,764,916	6,225,452	Note 2	
KaGaYa	15,000	114,907	-	(448)	-	-	15,000	100	114,459	109,715		
Zhao-Yao	235,000	1,463,779	-	(41,701)	-	-	235,000	100	1,422,078	1,422,078	Note 2	
Clever Base	2,080	5,434	(2,080)	(5,175)	(324)	65	-	0	-	-		
Xin-Xiu-Ge	125	324,423	-	(4,296)	-	-	125	100	320,127	(8,025)		
Jing-Jan Hldg	91,590	3,602,643	(173,715)	153,286	-	-	91,590	61.06	3,582,214	5,666,141	Note 2	
Rih-Siang	230,000	1,932,299	-	(13,394)	-	-	230,000	100	1,918,905	1,918,905		
Rih-Zuan	4,050	42,089	-	2,561	-	-	4,050	90	44,650	49,116		
Wan-Tong Digital	2,700	8,477	(2,700)	(7,396)	(1,081)	-	-	0	-	-		
LiJiang (Shanghai)	-	2,959	-	(439)	(23)	-	-	100	2,497	2,497		
Rih-Ding Hldg	63,500	5,713,974	(104,663)	690,555	-	-	68,300	100	6,299,866	6,299,866	Note 2	
Jing-Ding	740	7,200	-	(329)	-	-	740	37	6,871	18,571		
Total		18,837,923	(\$ 459,070)	\$ 883,784	\$ 42	(\$ 1,303)			19,261,376	\$25,962,549		
Less: Accumulated impairment		(155,686)	\$ -	\$ 24,884	\$ -	\$ -			(130,802)			
Less: Profit or loss between associates		(1,289,256)	\$ 2,738	\$ -	\$ -	\$ -			(1,286,518)			
		\$17,392,981							\$17,844,056			

Note 1: It is the subsidiaries' actuarial losses of the defined benefit plans and other comprehensive income recognized by the Company.

Note 2: The collateral provided for bank loans is \$7,592,460 thousand.

Radium Life Tech Co., Ltd.

Statement of Changes in Right-of-use Assets

2021

(In Thousands of New Taiwan Dollars)

	Buildings	Transportation Equipment	Total
	<hr/>	<hr/>	<hr/>
Cost			
Balance at January 1, 2021	\$ -	\$ 6,410	\$ 6,410
Additions	31,333	3,189	34,522
Lease terminated in current period	<hr/> -	(<u>1,774</u>)	(<u>1,774</u>)
Balance at December 31, 2021	<u>\$ 31,333</u>	<u>\$ 7,825</u>	<u>\$ 39,158</u>
Accumulated depreciation and impairment			
Balance at January 1, 2021	\$ -	\$ 2,969	\$ 2,969
Depreciation expenses	10,444	2,713	13,157
Lease terminated in current period	<hr/> -	(<u>1,411</u>)	(<u>1,411</u>)
Balance at December 31, 2021	<u>\$ 10,444</u>	<u>\$ 4,271</u>	<u>\$ 14,715</u>
Carrying amount at December 31, 2021	<u>\$ 20,889</u>	<u>\$ 3,554</u>	<u>\$ 24,443</u>

Statement 5

Radium Life Tech Co., Ltd.
Statement of Contract Liabilities
December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount
Fu-Jou District 1	\$ 37,657
Daqiao	24,094
Sanzhi Project - East Side	166,172
Xidian	<u>246</u>
	<u>\$ 228,169</u>

Radium Life Tech Co., Ltd.
Statement of Short-term Borrowings
December 31, 2021
(In Thousands of New Taiwan Dollars)

Type and Creditor	Contract Period	Interest Rate (%)	Ending Balance	Loan Commitments	Collateral
Credit borrowing - Chang Hwa Bank	2022.03.31	2.75	\$ 60,000	\$ 60,000	None
Credit borrowing - Chang Hwa Bank	2022.09.13	1.90	558,032	560,000	None
Collateralized borrowing - CTBC Bank	2022.11.26	2.19	332,200	332,200	Please refer to Note 29
Collateralized borrowing - Taiwan Business Bank	2022.07.06	2.97	200,000	200,000	Please refer to Note 29
Collateralized borrowing - Bank Of Panhsin	2022.09.16	2.2	265,332	294,000	Please refer to Note 29
Collateralized borrowing - Entie Bank	2022.09.17	2.886	-	450,000	Please refer to Note 29
Collateralized borrowing - Entie Bank	2022.12.23	3.15	-	170,300	Please refer to Note 29
			<u>\$ 1,415,564</u>	<u>\$ 2,066,500</u>	

Radium Life Tech Co., Ltd.
Statement of Long-term Borrowings
December 31, 2021
(In Thousands of New Taiwan Dollars)

Name	Summary	Amount	Contract Period	Interest Rate	Collateral	Note
Yuanta Bank	Collateralized borrowing	\$ 249,500	2023.9.25	2.430	Please refer to Note 29	
Yuanta Bank	Collateralized borrowing	600,000	2023.9.25	2.430	Please refer to Note 29	
Yuanta Bank	Collateralized borrowing	578,500	2023.9.25	2.430	Please refer to Note 29	
Yuanta Bank	Collateralized borrowing	411,000	2022.9.29	2.300	Please refer to Note 29	
Yuanta Bank	Collateralized borrowing	600,250	2022.11.29	2.230	Please refer to Note 29	
Yuanta Bank	Collateralized borrowing	292,000	2023.9.25	2.430	Please refer to Note 29	
Yuanta Bank	Collateralized borrowing	499,204	2022.12.8	1.800	Please refer to Note 29	
King's Town Bank	Collateralized borrowing	525,837	2026.3.26	2.400	Please refer to Note 29	
King's Town Bank	Collateralized borrowing	316,404	2022.6.19	1.937	Please refer to Note 29	
King's Town Bank	Collateralized borrowing	2,620,800	2022.8.4	1.937	Please refer to Note 29	
King's Town Bank	Unsecured borrowings	252,070	2022.8.5	1.937	None	
King's Town Bank	Collateralized borrowing	167,440	2022.8.22	2.442	Please refer to Note 29	
King's Town Bank	Collateralized borrowing	363,290	2024.9.26	2.250	Please refer to Note 29	
King's Town Bank	Collateralized borrowing	663,990	2028.2.16	2.000	Please refer to Note 29	
Hwatai Bank	Collateralized borrowing	242,513	2022.4.20	2.100	Please refer to Note 29	
Chang Hwa Bank	Collateralized borrowing	330,000	2028.4.14	1.750	Please refer to Note 29	
Bank of Taiwan	Collateralized borrowing	1,275,000	2023.12.26	2.2727	Please refer to Note 29	Note
Bank of Taiwan	Collateralized borrowing	880,000	2023.12.26	2.2727	Please refer to Note 29	Note
CTBC Bank	Collateralized borrowing	172,000	2023.12.15	1.840	Please refer to Note 29	
International Bills Finance Corporation	Collateralized borrowing	479,607	2022.2.4	2.488	Please refer to Note 29	
International Bills Finance Corporation	Collateralized borrowing	119,902	2022.2.4	2.488	Please refer to Note 29	
International Bills Finance Corporation	Collateralized borrowing	14,787	2022.2.4	2.588	Please refer to Note 29	
Less: Arrangement fee of long-term borrowings		(5,750)				
Less: Current portion of long-term borrowings		(6,196,247)				
Add: Arrangement fee of current portion of long-term borrowings		3,000				
Long-term borrowings		<u>\$ 5,455,097</u>				

Note: This is the amount of syndicated loans provided by groups of banks, including a group of 5 banks, including Bank of Taiwan.

Radium Life Tech Co., Ltd.

Statement of Lease Liabilities

December 31, 2021

(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>
Transportation equipment	\$ 3,736
Sublease of buildings	<u>190,402</u>
Total	<u>\$ 194,138</u>

Radium Life Tech Co., Ltd.
Statement of Operating Revenue
2021
(In Thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>
Construction contract revenue	\$ 1,282,008
Rental income	<u>141,100</u>
	<u>\$ 1,423,108</u>

Radium Life Tech Co., Ltd.

Statement of Operating Costs

2021

(In Thousands of New Taiwan Dollars)

Item	Amount
Construction cost	\$ 999,560
Rental cost	186,108
Other operating costs	(9,907)
	<u>\$ 1,175,761</u>

Radium Life Tech Co., Ltd.
Statement of Operating Expenses

2021

(In Thousands of New Taiwan Dollars)

Item	Selling and marketing expenses	General and administrative expenses	Total
Bank charges	\$ 360	\$ 264,389	\$ 264,749
Salaries	3,089	138,130	141,219
Depreciation	2,556	69,994	72,550
Management	19,639	32,404	52,043
Advertisement	51,247	184	51,431
Commission	41,334	-	41,334
Services	3,523	34,872	38,395
Others (Note)	<u>47,096</u>	<u>41,838</u>	<u>88,934</u>
	<u>\$ 168,844</u>	<u>\$ 581,811</u>	<u>\$ 750,655</u>

Note: The amount of each item did not exceed 5% of the balance of this account.

Radium Life Tech Co., Ltd.

Statement of Employees' benefits, Depreciation, Depletion, and Amortization by Function

2021 and 2020

(In Thousands of New Taiwan Dollars)

	2021			2020		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employees' benefits expenses						
Salaries	\$ 123	\$ 128,811	\$ 128,934	\$ -	\$ 183,006	\$ 183,006
Labor and health insurance	-	10,632	10,632	-	13,618	13,618
Pension	-	5,354	5,354	-	7,613	7,613
Remuneration to directors	-	4,530	4,530	-	9,580	9,580
Other employee benefits expenses	-	9,967	9,967	-	12,709	12,709
	<u>\$ 123</u>	<u>\$ 159,294</u>	<u>\$ 159,417</u>	<u>\$ -</u>	<u>\$ 226,526</u>	<u>\$ 226,526</u>
Depreciation expenses	<u>\$ 156,255</u>	<u>\$ 72,550</u>	<u>\$ 228,805</u>	<u>\$ 186,169</u>	<u>\$ 103,955</u>	<u>\$ 290,124</u>
Amortization expenses	<u>\$ -</u>	<u>\$ 5,830</u>	<u>\$ 5,830</u>	<u>\$ -</u>	<u>\$ 5,154</u>	<u>\$ 5,154</u>

Note 1: The monthly average number of employees of the Company in 2021 and 2020 was 116 and 167, respectively, and 3 directors did not serve as employees concurrently.

Note 2: (1) The average employee benefits expense for the year was \$1,371 thousand ("Total employee benefits expense for the year - Total remuneration of directors" / "Number of employees for the year - Number of directors who did not serve as employees concurrently").

The average employee benefits expense in the prior year was \$1,323 thousand ("Total employee benefits in the prior year - Total remuneration of directors" / "Number of employees in the prior year - Number of directors who did not serve as employees concurrently").

(2) The average employee wages and salaries for the year was \$1,141 thousand (Total wages and salaries for the year / "Number of employees for the year - Number of directors who did not serve as employees concurrently").

The average employee wages and salaries for the prior year was \$1,116 thousand (Total wages and salaries for the prior year / "Number of employees for the prior year - Number of directors who did not serve as employees concurrently").

(3) The average adjustment to employee wages and salaries is 2.2% ("The average employee wages and salaries for the year - The average employee wages and salaries for the prior year" / The average wages and salaries for the prior year).

Note 3: The Company's salary policy is described as follows:

(1) Remuneration of directors and supervisors

The Company's remuneration paid to directors and supervisors is divided into three categories: compensation, remuneration, and fees for services rendered. Among them, for compensation, if there is any profit in the year, the total amount will be allocated according to the Company's Articles of Incorporation, relevant laws and regulations while with reference to the payment levels in the same industry, and then the compensation will be allocated based on the directors' and supervisors' participation in and contribution to the Company's operations during their terms of office. Remuneration refers to the payment received by the directors and supervisors for performing their duties or serving as functional committee members concurrently, and paid according to their qualifications while with reference to the payment levels in the same industry. Fees for services rendered are honoraria, special allowance, and various allowances received by the directors and supervisors for performing their duties or serving as functional committee members concurrently.

(2) Salary and remuneration of managers and employees

The salary structure of managers and employees is divided into "salary" as well as "bonus and subsidy". Salary is paid monthly, which is divided into basic salary and allowance; "bonus and subsidies" are given due to work performance or specific work achievements or meeting specific conditions. "Bonus" includes year-end bonus and employee compensation. The amount of year-end bonus is determined based on the profitability of the year, operating performance, and other indicators. Individuals are paid based on the indicators, such as position, performance, and years of service, which shall be approved by the remuneration committee before resolved by the board of directors. According to the provisions of the Company's Articles of Incorporation and pre-tax income as the basis for allocation, the allocation criteria for employee compensation are evaluated based on relevant performance indicators for operations, and shall be approved by the remuneration committee before resolved by the board of directors. "Subsidies" are open for application by employees who meet specific conditions, such as transportation subsidy and medical examination subsidy.



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