Stock Code：2539

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

SAKURA DEVELOPMENT CO., LTD

Financial Statements

With Independent Auditor's Report

For the Year Ended December 31, 2021 and 2020

Address: 4F., No.239, Sec.2, Taiwan Blvd., West District, Taichung City 403, Taiwan

Telephone: 04-36005800

Table of contents

Independent Auditors' Report

To the Board of Directors of Sakura Development Co., Ltd:

Opinions

We have audited the financial statements of Sakura Development Co., Ltd ("the Company"), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of current period. These matters were addressed in the context of our audit of the individual financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Company's individual financial statements of the current period are stated as follows:

Revenue recognition

For the accounting polices relating to income recognition, please refer to Note 4 (16). For the details of revenue, please refer to Note 6 (18).

The main revenue source of the Company is sales of real estate. The risk of material misstatement is the substance of revenue recognition. Revenue is related to operating performance of the management. To achieve expected financial performance, the management might override the internal control procedures to manipulate the timing of revenue recognition, which might lead to significant misstatement of profit and loss. Therefore, revenue recognition is one of the most important issue in performing our audit procedures and has been identified as one of the key audit matters.

Our principal audit procedures including:

- Test the internal control system of sales revenue and accounts receivables collection and to evaluate the effectiveness of preventing error and fraud.
- Perform substantive analytical procedures on revenue to evaluate the correctness of the timing of revenue recognition.
- Perform test of details, selecting samples from real estate sales contracts with customers and related real estate transfer registration documents to assess whether the Company recognizing revenue in accordance with its accounting policies and accounting standards.

Acquisition and valuation of Inventory

For accounting policies relating to acquiring and valuation of inventory, please refer to Note 4 (6). For details of inventory, please refer to Note 6 (3).

Inventory is significant asset for operating for the Company, which account for 90.50% of total assets. The legality of acquisition price and procedures of inventory (construction land) might affect the interest of shareholders. Besides, the valuation of inventory shall be in accordance with IAS 2. If the Company valuates its inventory inappropriately, it might lead to significant misstatement of financial statement. Therefore, the acquisition and valuation of inventory is one of the most important issue in performing our audit procedures and has been identified as one of the key audit matters.

Our principal audit procedures including:

- Review whether the construction lands acquiring and pricing assessment procedures are in accordance with Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
- Review contracts of acquisition of construction lands and check whether payment schedule are in accordance with the contracts.
- Obtain the Company’s inventory valuation data. Select samples from the data and check to related real estate sales contracts. We also compare whether there’s significant difference between the net realizable value of inventory and nearby area actual transaction information published by Ministry of Interior. For construction lands and construction-in-progress, we also obtain the Company’s internal investment return analysis data to compare with current market tendency to assess whether the net realizable value is fairly presented.

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

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the requirements of 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 the individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual 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 audit Committee, are responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company 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 regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chang, Yi-Chun
Teng, Hsin-Shan
BDO Taiwan
March 21, 2022

Notice to Readers

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

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

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

SAKURA DEVELOPMENT CO., LTD

Individual Balance Sheet

December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars)

Code	Assets	Notes	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets					
1100	Cash and cash equivalents	4. 6(1)	$165,735	0.79	$155,492	0.86
1150	Notes receivables, net	4. 6(2)	-	-	174	-
1170	Account receivables, net	4. 6(2)	1,427	0.01	32,216	0.18
130x	Inventories	4. 6(3). 7(2). 8	19,012,046	90.50	16,359,447	90.17
1410	Prepayments	4. 6(4)	13,001	0.06	16,447	0.09
1476	Other current financial assets	4. 6(5). 8	1,339,310	6.38	1,125,013	6.20
1479	Other current assets	4. 6(6)(18)	358,541	1.70	345,723	1.90
11xx	Total current assets		20,890,060	99.44	18,034,512	99.40
	Non-current assets					
1600	Property, plant and equipment	4. 6(7). 8	55,643	0.26	52,222	0.29
1755	Right-of-use assets	4. 6(8)	723	-	1,344	0.01
1760	Investment property, net	4. 6(9)	23,420	0.11	23,420	0.13
1780	Intangible assets	4	1,997	0.01	400	-
1840	Deferred income tax assets	4. 6(21)	1,788	0.01	1,729	0.01
1920	Refundable deposits		34,498	0.17	29,218	0.16
15xx	Total non-current assets		118,069	0.56	108,333	0.60
1xxx	Total assets		$21,008,129	100.00	$18,142,845	100.00

Code	Liabilities	Notes	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities					
2100	Short-term borrowings	4. 6(10)	$1,594,900	7.59	$1,454,600	8.02
2110	Short-term notes payables	4. 6(11)	1,059,178	5.04	2,353,151	12.97
2130	Contract liabilities - current	4. 6(18)	1,576,139	7.50	1,118,952	6.17
2150	Notes payables		824	-	7,633	0.04
2170	Accounts payables		478,434	2.28	474,505	2.62
2180	Accounts payable from related parties	7(2)	-	-	27,953	0.15
2200	Other payables		493,108	2.35	427,765	2.36
2230	Current income tax liabilities	4. 6(21)	199,833	0.95	209,889	1.16
2250	Provisions		1,844	0.01	828	-
2280	Lease liabilities – current	4. 6(8)	347	-	1,374	0.01
2320	Long-term liabilities – current portion	4. 6(13)	3,100,000	14.76	706,000	3.89
2300	Other current liabilities		59,006	0.28	19,001	0.10
21xx	Total current liabilities		8,563,613	40.76	6,801,651	37.49
	Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss – non-current	6(12)	278	-	251	-
2530	Bonds payable	4. 6(12)	160,472	0.77	239,320	1.32
2540	Long-term borrowings	4. 6(13)	3,789,200	18.04	3,334,000	18.38
2580	Lease liabilities – non-current	4. 6(8)	383	-	-	-
2645	Deposits received		4,902	0.02	462	-
25xx	Total non-current liabilities		3,955,235	18.83	3,574,033	19.70
2xxx	Total liabilities		12,518,848	59.59	10,375,684	57.19
	Equity					
3100	Capital stock					
3110	Common stock	6(15)	6,398,681	30.46	5,584,827	30.78
3130	Bond conversion entitlement certificates	6(15)	11,772	0.06	4,346	0.02
3200	Capital surplus	6(16)	212,580	1.01	171,465	0.95
3300	Retained earnings	6(17)				
3310	Legal reserve		841,691	4.01	759,477	4.19
3350	Unappropriated earnings		1,024,557	4.87	1,247,046	6.87
3xxx	Total equity		8,489,281	40.41	7,767,161	42.81
	Total liabilities and equity		$21,008,129	100.00	$18,142,845	100.00

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

Chairman: Cheng-Gang Chen　　President: Shih-Ying Chen　　Accounting Supervisor: Shu-Chen Shen

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

SAKURA DEVELOPMENT CO., LTD

Individual Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars, Except for earnings per share)

			2021		2020	
Code	Item	Notes	Amount	%	Amount	%
4000	**Operating revenue**	4. 6(18).7(2)	$4,274,315	100.00	$4,616,492	100.00
5000	**Operating costs**		(2,915,205)	(68.20)	(3,108,675)	(67.34)
5900	**Operating margin**		1,359,110	31.80	1,507,817	32.66
5950	**Net operating margin**		1,359,110	31.80	1,507,817	32.66
	Operating expenses	6(14)(20)				
6100	Selling expenses		(283,252)	(6.63)	(377,338)	(8.17)
6200	Administrative expenses		(91,339)	(2.14)	(79,360)	(1.72)
6000	**Total operating expenses**		(374,591)	(8.77)	(456,698)	(9.89)
6900	**Net operating income**		984,519	23.03	1,051,119	22.77
	Non-operating income and expenses	6(19)				
7100	Interest income		477	0.01	561	0.01
7010	Other income		1,848	0.04	888	0.02
7020	Other gains and losses, net		(607)	(0.01)	(954)	(0.02)
7050	Finance costs, net		(29,212)	(0.68)	(18,958)	(0.41)
7000	**Total non-operating income and expenses**		(27,494)	(0.64)	(18,463)	(0.40)
7900	**Profit before income tax**		957,025	22.39	1,032,656	22.37
7950	Income tax expenses	4. 6(21)	(203,032)	(4.75)	(210,516)	(4.56)
8200	**Profit for the period**		753,993	17.64	822,140	17.81
8500	**Total comprehensive income for the period**		$753,993	17.64	$822,140	17.81
	Earnings per share (in dollars):	4. 6(22)				
9750	**Basic earnings per share**		$1.18		$1.30	
9850	**Diluted earnings per share**		$1.16		$1.28	

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

Chairman: Cheng-Gang Chen　　President: Shih-Ying Chen　　Accounting Supervisor: Shu-Chen Shen

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

SAKURA DEVELOPMENT CO., LTD

Individual Statements of Changes In Equity

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars)

	Capital stock			Retained earnings		
	Common stock	Bond conversion entitlement certificates	Capital surplus	Legal reserve	Unappropriated earnings	Total equity
Balance at January 1, 2020	$4,632,433	$5,454	$65,943	$610,626	$1,918,744	$7,233,200
Appropriation and distribution ofretained earnings:						
Legal reserve	-	-	-	148,851	(148,851)	-
Cash dividends	-	-	-	-	(463,789)	(463,789)
Stock dividends	881,198	-	-	-	(881,198)	-
Conversion of Bond conversion entitlement certificates	5,454	(5,454)	-	-	-	-
Conversion of convertible bonds	65,742	4,346	105,495	-	-	175,583
Unclaimed cash dividends transferred to capital surplus	-	-	27	-	-	27
Net income in 2020	-	-	-	-	822,140	822,140
Total comprehensive income in 2020	-	-	-	-	822,140	822,140
Balance at December 31, 2020	$5,584,827	$4,346	$171,465	$759,477	$1,247,046	$7,767,161
Balance at January 1, 2021	$5,584,827	$4,346	$171,465	$759,477	$1,247,046	$7,767,161
Appropriation and distribution ofretained earnings:						
Legal reserve	-	-	-	82,214	(82,214)	-
Cash dividends	-	-	-	-	(111,784)	(111,784)
Stock dividends	782,484	-	-	-	(782,484)	-
Conversion of Bond conversion entitlement certificates	4,346	(4,346)	-	-	-	-
Conversion of convertible bonds	27,024	11,772	41,067	-	-	79,863
Unclaimed cash dividends transferred to capital surplus	-	-	48	-	-	48
Net income in 2021	-	-	-	-	753,993	753,993
Total comprehensive income in 2021	-	-	-	-	753,993	753,993
Balance at December 31, 2021	$6,398,681	$11,772	$212,580	$841,691	$1,024,557	$8,489,281

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

Chairman: Cheng-Gang Chen   President: Shih-Ying Chen   Accounting Supervisor: Shu-Chen Shen

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

SAKURA DEVELOPMENT CO., LTD
Individual Statements of Cash Flows
For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars)

Item	2021	2020
Cash flow from operating activities:		
Profit before income tax for the period	$957,025	$1,032,656
Adjustments for:		
Depreciation expense	5,049	4,337
Amortization expense	811	205
Net (gains) losses on financial assets and liabilities at fair value through profit and loss	25	(670)
Losses on disposal of property, plant and equipment	45	-
Interest expense	29,212	18,958
Interest income	(477)	(561)
Subtotal	34,665	22,269
Change in operating assets and liabilities:		
Change in operating assets		
Decrease (increase) in notes receivable	174	18,427
Decrease (increase) in accounts receivable	30,789	88,847
Decrease (increase) in inventories(construction-in-progress)	(2,516,677)	(4,172,629)
Decrease (increase) in prepayments	3,446	(13,612)
Decrease (increase) in other current financial assets	(214,297)	(643,351)
Decrease (increase) in other current assets	(12,818)	(176,408)
Total net change in operating assets	(2,709,383)	(4,898,726)
Change in operating liabilities		
Increase (decrease) in notes payable	(6,809)	6,196
Increase (decrease) in accounts payable	3,929	32,715
Increase (decrease) in accounts payable from related parties	(27,953)	27,953
Increase (decrease) in other payables	63,354	(55,970)
Increase (decrease) in provisions	1,016	(2,353)
Increase (decrease) in contract liabilities	457,187	498,504
Increase (decrease) in other current liabilities	40,005	(27,521)
Total net change in operating assets and liabilities	530,729	479,524
Total net change in operating assets and liabilities	(2,178,654)	(4,419,202)
Total adjustments	(2,143,989)	(4,396,933)
Cash generated from operating activities	(1,186,964)	(3,364,277)
Interests received	477	561
Interests paid (including interest capitalization)	(162,097)	(107,755)
Income tax paid	(213,147)	(114,068)
Net cash provided by (used in) operating activities	(1,561,731)	(3,585,539)
Cash flow from investing activities:		
Acquisition of property, plant and equipment	(6,853)	(747)
Acquisition of intangible assets	(2,408)	(427)
Decrease (increase) in refundable deposits	(5,280)	7,740
Net cash provided by (used in) investing activities	(14,541)	6,566
Cash flow from financing activities:		
Increase (decrease) in short-term borrowings	140,300	440,000
Increase in short-term notes payables	959,144	2,777,377
Decrease in short-term notes payables	(2,253,117)	(932,195)
Increase in long-term borrowings	3,146,100	2,191,823
Repayment of long-term borrowings	(296,900)	(919,000)
Payment of lease liabilities	(1,716)	(1,514)
Increase (decrease) in deposits received	4,440	(3,180)
Cash dividends paid	(111,784)	(463,789)
Unclaimed cash dividends transferred to capital surplus	48	27
Net cash provided by (used in) financing activities	1,586,515	3,089,549
Net increase (decrease) in cash and cash equivalents	10,243	(489,424)
Cash and cash equivalents at the beginning of the year	155,492	644,916
Cash and cash equivalents at the end of the year	$165,735	$155,492

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

Chairman: Cheng-Gang Chen President: Shih-Ying Chen Accounting Supervisor: Shu-Chen Shen

SAKURA DEVELOPMENT CO., LTD
NOTES TO FINANCIAL STATEMENTS
Period: 2021 and 2020
(Expressed in thousands of New Taiwan dollars, unless otherwise indicated)

1. History and Organization

Sakura Development Co., Ltd. (the "Company") was incorporated on 2 May, 1987 in accordance with the Company Act of The Republic of China. The Compnay primarily engages in the business of construction of public housing, selling and leasing of residential and commercial buildings, gardening and consulting of real estate investment. The Company's common shares were listed on the Taiwan Stock Exchange (TWSE) in July 1997.

2. Approval date and procedures of the financial statements

The financial statements were authorized for issuance by the Board of Directors on March 21, 2022.

3. New standards, amendments and interpretations adopted

(1) Effect of the adoption of new issuances of or amendments to the "International Financial Reporting Standards" (IFRSs) as endorsed by the Financial Supervisory Commission (hereinafter referred to as "FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform— Phase 2'	January 1, 2021
Amendment to IFRS 16, 'Covid-19-related rent concessions beyond 30 June 2021'	April 1, 2021(Note)

Note: Earlier application from January 1, 2021 is allowed by FSC.

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC, but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRSs issued by the IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by the IASB but not yet included in the IFRSs endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or noncurrent'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these individual financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

The individual financial statements of the Company have been prepared in accordance with the“Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. This individual financial statement was prepared based on historical cost except for financial assets and liabilities at fair value through profit and loss.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the individual financial statements are disclosed in Note 5.

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

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
   (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
   (b) Assets held mainly for trading purposes;
   (c) Assets that are expected to be realized within 12 months from the end of the financial reporting period;
   (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than 12 months after the end of the financial reporting period.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
   (a) Liabilities that are expected to be settled within the normal operating cycle;
   (b) Liabilities arising mainly from trading activities;
   (c) Liabilities that are to be settled within twelve months from the balance sheet date;
   (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. 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.

(4) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(5) Financial instruments

A. Financial assets

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

Accounts and notes receivable

Accounts and notes receivable entitle the Company the legal right to receive consideration in exchange for transferred goods or rendered services.

The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

Impairment on financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information which includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

Derecognition of financial assets

(a) The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expired.

(b) The Company derecognizes a financial asset when one of the following conditions is met:

   i. The contractual rights to receive the cash flows from the financial asset expired.
   ii. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
   iii. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

B. Financial liabilities and equity instruments

Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that part or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes and accounts payable

Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

Convertible bonds payable

Convertible bonds issued by the Company contains conversion options (that is, the bondholders have the right to convert the bonds into the Company’s common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

(a) The embedded call options and put options are recognised initially at net fair value as “financial assets or financial liabilities at fair value through profit or loss”. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as ”gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss”.

(b) The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to “finance costs” over the period of circulation using the effective interest method.

(c) The embedded conversion options which meet the definition of an equity instrument are initially recognised in “capital surplus—share options” at the residual amount of total issuance price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

(d) Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

(e) When bondholders exercise conversion options, the liability component of the bonds (including “bonds payable” and “financial assets or financial liabilities at fair value through profit or loss”) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and “capital surplus—share options”.

Derecognotion of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

Where there has been a renegotiation or modification of the terms of an existing financial liability and resulted in an insignificant discrepancy which is less than ten percent of the estimated cash flows, the carrying amount of the liability is recalculated based on the modified cash flows discounted at the original effective interest rate. The gain or loss arising from the carrying amount after modification less the initial recognition of the financial liability is recognised in profit or loss.

C. Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(6) Inventoroes

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition, and capitalization of interest. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value is estimated as follows:

A. Construction site

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value (development analytical method or comparison method).

B. Construction in progress

Net realizable value is the estimated selling price (prevailing market condition) in the ordinary course of business, less the estimated costs and selling expenses needed to complete.

C. Real estate for sales

Net realizable value is the estimated selling price (refer to the market condition estimated by authority) in the ordinary course of business, less the estimated selling cost and expenses need to sell the real estate.

(7) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in gain or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5~25 years
Office equipment	3~8 years
Other equipment	3~5 years
Leasehold improvements	3 yeas

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(8) Leasing agreement – Right-of-use assets/lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:
   (a) Fixed payments, less any lease incentives receivable;
   (b) Variable lease payments that depend on an index or a rate;
   (c) Amounts expected to be payable by the lessee under residual value guarantees;
   (d) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
   (e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

   The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
   (a) The amount of the initial measurement of lease liability;
   (b) Any lease payments made at or before the commencement date;
   (c) Any initial direct costs incurred by the lessee; and
   (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

   The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(9) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs relating to the borrowing of funds.

(10) Investment properties

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers to or from investment properties when there is a change in use for these assets.

(11) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss when the asset is derecognized.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (3 years).

(12) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cashgenerating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(13) Provisions

Provisions (including warranties, decommissioning, restructuring, onerous contracts, and contingent liabilities from business combinations, etc.) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(14) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

Defined contribution plans

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employee’s subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company’s decision to terminate an employee’s employment before the normal retirement date, or an employee’s decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(15) Dividens

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(16) Revenue recognition

Revenuce is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria are applied for revenue recognition:

A. Land development and sale of real estate

The Company develops land and sells residential properties. Revenue is recognized when control over the properties has been transferred to customer. The properties have generally no alternative use for the Company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title of a property has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. The consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral usually not exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component.

B. Incremental costs of obtaining a contract

The Company recognises an asset (shown as 'other non-current assets') the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer if the Company expects to recover those costs. The recognised asset is amortised on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates.

In subsequent periods, the Company recognises an impairment loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Company expects to receive less the costs that have not been recognised as expenses.

(17) Income taxes

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(18) Earnings per share

The Company disclose the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The basic earnings per share is calculated based on the profit attributable to the ordinary shareholders of the Company divided by weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated based on the profit attributable to ordinary shareholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares,such as remuneration of employees and employee dividends.

(19) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these individual financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

Investment property

Some of the real estate properties are held by the Company for rental income and capital gain, whereas others are held for self-occupation. Any parts that can be sold individually are separated between investment property and property, plant and equipment.

(2) Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

A. Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company's domicile.

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. As of December 31, 2021, the deferred income tax assets that the Company has recognized, please refer to Note 6 (21) for more details.

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

B. Valuation of inventory

The Company must use the judgment and estimate to determine the net realizable value of the inventory at the balance sheet date, as the inventories are measured at the lower of the cost and the net realizable value. The Company assesses the amount of inventory at the balance sheet date due to market changes or no market sales value and reduces the inventory cost to the net realizable value. This inventory evaluation is mainly based on the product demand in the specific period in the future, so it may cause significant changes. Please refer to Note 6 (3) for more details.

6. Explanation of significant accounts

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	$-	$356
Petty cash	40	40
Cash in banks	165,695	155,096
Total	$165,735	$155,492

A. The Comapny transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Please refer to note 12 for the disclosure of the Company's financial assets and liabilities interest risk and sensitivity analysis.

(2) Notes and accounts receivables

	December 31, 2021	December 31, 2020
Notes receivables	$-	$174
Allowance for doubtful notes receivables	-	-
Total	$-	$174
Accounts receivables	$1,427	$32,183
Installment accounts receivables	-	33
Allowance for doubtful accounts receivables	-	-
Total	$1,427	$32,216

A. The ageing analysis of accounts receivable and notes receivable which were past due but not impaired is as follows:

	December 31, 2021		December 31, 2020	
	Notes receivables	Accounts recievables	Notes receivables	Accounts recievables
Not past due	$-	$1,427	$174	$32,216
Up to 180 days	-	-	-	-
181 to 365days	-	-	-	-
Over 1 year	-	-	-	-
Total	$-	$1,427	$174	$32,216

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

The above ageing analysis was based on past due date.

B. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount is the carring amount. Please refer to note 12 (2) for credit risk information.

(3) Inventories

A. The detail of inventories as below:

	December 31, 2021	December 31, 2020
Buildings and lands held for sale	$-	$102,590
Lands held for construction	681,392	1,940,632
Construction-in-progress	17,897,424	14,116,893
Land held for building bulk transfer	304,931	143,862
Prepayment for land purchased	128,299	55,470
Total	$19,012,046	$16,359,447

B. Partial of inventories had been pledged as collateral for bank borrowings, please refer to note 8.

C. Supplement disclosure for significant construction projects as below:

Construction projects	Lands of Construction – in - progress	Building of Construction – in - progress
Wen Bei Section	$833,974	$932,516
Yu Xian Section 4th phase	416,984	633,729
Yu Xian Section 6th phase	835,367	215,498
Yu Xian Section 7th phase	627,394	307,586
Hou Long Zi Section	455,344	334,665
Shan Jie Section	316,201	334,374
Niu Chou Zi Section	511,673	99,082
Zhong Shan Section	601,834	23,056
Shi Zhen Bei Section	478,267	123,496
Qing Ping Section	699,049	387,021
Yu Xian Section 8th phase	1,309,727	32,068
Bei Xin Section	1,362,414	121,604
Xin Guo Section 1st phase	396,895	63,555
Xin Guo Section 2nd phase	43,767	607
Xin Guo Section 3rd phase	177,423	59,634
Tou Jia Section 1st phase	338,210	13,967
Tou Jia Section 2nd phase	301,944	8,303
Dong Guang Section	1,046,592	14,312
Zhi Yong Section 1st phase	123,348	1,771
Zhi Yong Section 2nd phase	217,909	2,138
Xin Rong He Section 2nd phase	279,671	74,242
Xin Rong He Section 3rd phase	1,325,363	10,167
Tou Zhong Xi Section 2nd phase	261,814	2,683
Tou Zhong Xi Section 3rd phase	360,599	2,814
Xin Zhan Nan Section 2nd phase	390,784	2,907
Long Mu Jing Section	380,310	2,394
Feng Xing Section	-	378
Total	$14,092,857	$3,804,567

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

D. The total interest capitalizes of the inventories mentioned above was found to be \$135,922 thousand and \$91,683 thousand, and the interest rate of capitalized loan for inventories were 0.69%~1.83% and 0.36%~1.93% for the years ended December 31, 2021 and 2020, respectively.

E. The cost of inventories recognized as expenses (including the loss or gain of inventory price falling or reversal) amounts to were both 0 for the years ended December 31, 2021 and 2020, respectively.

(4) Prepayments

	December 31, 2021	December 31, 2020
Prepaid rents	\$351	\$129
Other prepaid expenses	2,496	3,732
Prepayment for purchases	-	1,071
Prepaid VAT	3	-
Over paid VAT	10,151	11,515
Total	\$13,001	\$16,447

(5) Other current financial assets

	December 31, 2021	December 31, 2020
Other restricted asstes	\$1,339,310	\$1,125,013

A. Other restricted assets are pre-selling real estate escrow payments which deposits in specified bank accounts in accordance with relevant laws and regulations published by the Ministry of the Interior. The pre-selling real estate escrow payments are deposited in specified bank accounts. The financial institutions provides pre-selling real estate value trust and price return guarantee. Please refer to note 8 for details.

B. The Company had signed pre-selling escrow trust specified account contracts with financial institutions. The drawn down amount from the trust account shall not be exceeded the 50% of pre-selling consideration paid by customers. For the years ended December 31, 2021 and 2020, for paying construction costs, the the Company had drawn down \$271,500 thousand and \$0, respectively. Please refer to note 9 for details.

(6) Other current assets

	December 31, 2021	December 31, 2020
Incremental cost of obtaining the contract (deferred marketing expenses)	\$324,521	\$304,504
Temporary payments	31,394	38,555
PSayment on behalf of others	2,626	2,664
Toal	\$358,541	\$345,723

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

The cost occurred for the acquisition of the customer's contract is the incremental cost of the contract. The incremental cost of the contract fulfills its obligation when the house hand over the the customers, and the incremental cost of the contract is amortized. Please refer to note 6 (18) for details.

(7) Property, plant and equipment

	Lands and land improvements	Buildings	Office equipment	Lease improvement	Other equipment	Total
Cost:						
Balance on January 1, 2021	$31,885	$26,288	$2,934	$2,646	$3,128	$66,881
Additions	-	3,809	2,060	-	984	6,853
Disposals	-	-	(47)	-	(209)	(256)
Balance on December 31, 2021	$31,885	$30,097	$4,947	$2,646	$3,903	$73,478
Balance on January 1, 2020	$31,885	$26,288	$2,956	$2,646	$2,498	$66,273
Additions	-	-	-	-	747	747
Disposals	-	-	(22)	-	(117)	(139)
Balance on December 31, 2020	$31,885	$26,288	$2,934	$2,646	$3,128	$66,881
Depreciation and impairment:						
Balance on January 1, 2021	$-	$8,050	$2,563	$2,162	$1,884	$14,659
Depreciation	-	2,017	281	484	605	3,387
Disposals	-	-	(39)	-	(172)	(211)
Balance on December 31, 2021	$-	$10,067	$2,805	$2,646	$2,317	$17,835
Balance on January 1, 2020	$-	$6,327	$2,386	$1,633	$1,582	$11,928
Depreciation	-	1,723	199	529	419	2,870
Disposals	-	-	(22)	-	(117)	(139)
Balance on December 31, 2020	$-	$8,050	$2,563	$2,162	$1,884	$14,659
Carrying amounts:						
Balance on December 31, 2021	$31,885	$20,030	$2,142	$-	$1,586	$55,643
Balance on December 31, 2020	$31,885	$18,238	$371	$484	$1,244	$52,222

A. As of December 31, 2021 and 2020, property, plant and equipment were not impaired. Impairment assessment was based on external independent appraiser’s assessment report.

B. Partial of property, plant and equipment were pledged as collateral of convertible bonds. Please refer to note 8.

(8) Lease – as a lessee

A. The Company leases various assets including office, praking space and other equipment. Rental contract are typically made for periods of 1 to 5 years. Lease terms are negotiated on individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

B. The carrying amount of right-of-use assets and depreciation charged are as follows:

	Buildings	Transportation equipment	Total
Cost:			
Balance on January 1, 2021	$4,277	$-	$4,277
Additions	-	1,041	1,041
Disposals	(4,277)	-	(4,277)
Balance on December 31, 2021	$-	$1,041	$1,041
Balance on January 1, 2020	$4,277	$-	$4,277
Additions	-	-	-
Balance on December 31, 2020	$4,277	$-	$4,277
Depreciation and impairment:			
Balance on January 1, 2021	$2,933	$-	$2,933
Depreciation	1,344	318	1,662
Disposals	(4,277)	-	(4,277)
Balance on December 31, 2021	$-	$318	$318
Balance on January 1, 2020	$1,466	$-	$1,466
Depreciation	1,467	-	1,467
Balance on December 31, 2020	$2,933	$-	$2,933
Carrying amounts:			
Balance on December 31, 2021	$-	$723	$723
Balance on December 31, 2020	$1,344	$-	$1,344

C. Lease liabilities

	December 31, 2021	December 31, 2020
Carrying amount of lease liabilitie		
Current	$347	$1,374
Non-current	383	-
Total	$730	$1,374

(a) The information on profit and loss accounts relating to lease contracts is as follows:

Item	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest expense on lease liabilities	$31	$47
Expense on short-term lease contracts	$496	$456
Expense on leases of low-value assets	$84	$31

(b) For the year ended December 31, 2021 and 2020, the total cash outflow for leases were $1,716 thousands and $1,514 thousands, respectively.

(c) Leases for copy machine and parking spaces were less than 12 months, the Company had eleceted not to recognize right-of-use assets and lease liabilities for these short-term leases.

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

(9) Investment property

	December 31, 2021	December 31, 2020
Cost (Land):		
Da Cun Section (farming and grazing land)	$44,298	$44,298
Hui Lai Cuo Section	2,340	2,340
Yunlin Bei Gang Section	1,260	1,260
Total	$47,898	$47,898
Depreciation and impairment (Land):		
Da Cun Section (farming and grazing land)	$23,570	$23,570
Hui Lai Cuo Section	93	93
Yunlin Bei Gang Section	815	815
Total	$24,478	$24,478
Carrying amount	$23,420	$23,420

A. As of December 31, 2021 and 2020, the accumulated impairment loss on investmet property were both $24,478 thousand. Impairment assessment was based on external independent appraiser's assessment report.

B. The investment properties held by the Company were not measured at fair value. The fair value information were only for disclosure purpose. As of December 31, 2021 and 2020, based on the external independent appraiser's report, the fair value of investment properties held by the Company were $35,808 thousands and $34,733 thousands. The investment property located at Hui Lai Cuo Section and Yunlin Bei Gang Section was appraised by sales comparision approach and land development analysis method. For the investment propery located at Da Cun Section, the fair value was appraised by sales comparision approach and cost approach.

C. Due to the restriction of regulations and laws, the legal ownership of farming and grazing land located at Da Cun Section was registered under other person's name. The legal ownership of the land will be transferred to the Company once the regulations and laws amended. To ensure the Compnay's right on the land, the first mortgage of the land was designated to the Company. The trustee also entered into an agreement of consent of unconditional transferring of the land to the Company.

(10) Short-term borrowings

	December 31, 2021	December 31, 2020
Secured loans	$1,505,900	$1,084,600
Credit loans	89,000	370,000
Total	$1,594,900	$1,454,600
Range of interest rates	1.30%~1.80%	1.30%~1.69%

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

Construction-in-progress were pledged as collateral for the short-term borrowings, please refer to note 8 for more detals.

(11) Short-term notes payables

	December 31, 2021	December 31, 2020
Notes payables	$1,060,100	$2,354,800
Discount of notes payables	(922)	(1,649)
Total	$1,059,178	$2,353,151
Range of interest rates	0.692%~1.152%	0.360%~1.102%

Lands held for construction were pledged as collateral for the short-term notes payable, plrase refer to note 8 for more detals.

(12) Bonds payables

	December 31, 2021	December 31, 2020
First domestic secured convertible bonds	$200,000	$200,000
Discount on bonds payable-unamortized amount	(350)	(641)
Accumulated convertible amount	(65,400)	(45,600)
Subtotal	134,250	153,759
Less: current portion	-	-
Domestic secured convertible bonds	134,250	153,759
Second domestic unsecured convertible bonds	292,000	292,000
Discount on bonds payable-unamortized amount	(578)	(3,039)
Accumulated convertible amount	(265,200)	(203,400)
Subtotal	26,222	85,561
Less: current portion	-	-
Domestic unsecured convertible bonds	26,222	85,561
Total	$160,472	$239,320

A. In September 2018, the Company issued a secured 5-year convertible bond with zero interest for $207,200 thousands with the following conditions:

(a) The conversion price was $35.94 per share, when it comes to adjusting conversion price of subsidiary’ s common share, it should adhere to the Company’ s conversion rules. The conversion price change with formula within issuance details. The secured convertible bond does not have reset feature.

(b) At any time within three months after the issuance date till 40 days before maturity date, the subsidiary would repurchase the bond at the face value if the close of the subsidiary's ordinary share price exceeded 130% of the bond's conversion price for successive 30 days, or the outstanding value of the bond was lower than 10% of the total issuance value.

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

(c) Unless the bond has been redeemed before maturity and cancelled or converted, the bond will be redeemed by the Company on the maturity date at 100.75% of the principal amount of the bond (the real yield is 0.15%).

B. In September 2018, the Company issued a unsecured 5-year convertible bond with zero interest for $293,460 thousands with the following conditions:

(a) The conversion price was $35.10 per share, when it comes to adjusting conversion price of subsidiary’ s common share, it should adhere to the Company’ s conversion rules. The conversion price change with formula within issuance details. The unsecured convertible bond does not have reset feature.

(b) At any time within three months after the issuance date till 40 days before maturity date, the subsidiary would repurchase the bond at the face value if the close of the subsidiary's ordinary share price exceeded 130% of the bond's conversion price for successive 30 days, or the outstanding value of the bond was lower than 10% of the total issuance value.

(c) The bondholders can execute put options after three years from the issuance date, the redemption value is 101.5075% of the bonds value (the real yield is 0.50%).

(d) Unless the bond has been redeemed before maturity, repurchased and cancelled or converted, the bond will be redeemed by the Company on the maturity date of the principal amount of the bond.

C. Partial of property, plant and equipment was pledged as collateral of convertible bonds. Please refer to note 8.

(13) Long-term borrowings

A. The detail of long-term borrowings as below:

Nature	Lender	Contract term	December 31 2021	December 31 2020
Secured	Taiwan Cooperative Bank, Bei Taichung Branch	From September 2017 to December 2021	$-	$196,000
Secured	Taiwan Cooperative Bank, Jian Cheng Branch	From January 2020 to December 2023	950,000	945,000
Secured	Taiwan Cooperative Bank, Wu Cyuan Branch	From March 2021 to December 2024	153,000	-
Secured	Taiwan Cooperative Bank, Huei Long Branch	From May 2021 to June 2024	338,000	-
Secured	Land Bank of Taiwan, Si Tun Branch	From August 2021 to April 2025	707,900	-

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

Nature	Lender	Contract term	December 31 2021	December 31 2020
Secured	Land Bank of Taiwan, Nan Taichung Branch	From May 2021 to May 2026	212,300	-
Secured	CTBC Bank, Shizheng Branch	From May 2018 to March 2024	690,400	510,000
Secured	CTBC Bank, Shizheng Branch	From October 2019 to October 2024	910,000	910,000
Secured	Bank of Taiwan, Changhua Branch	From May 2019 to May 2023	354,000	354,000
Secured	Agriculture Bank of Taiwan, Taichung Branch	From September 2019 to September 2023	280,000	280,000
Secured	Agriculture Bank of Taiwan, Taichung Branch	From April 2021 to April 2026	700,000	-
Secured	Agriculture Bank of Taiwan, Xinzhu Branch	From September 2020 to September 2025	275,000	275,000
Secured	Agriculture Bank of Taiwan, Xinzhu Branch	From Novemer 2020 to Novemer 2024	30,000	3,000
Secured	First Commercial Bank, Taichung Branch	From October 2020 to October 2024	463,000	267,000
Secured	Far Eastern International Bank	From August 2019 to March 2023	300,000	300,000
Secured	Mega International Commercial Bank, Zhong Taichung Branch	From September 2021 to June 2023	525,600	-
Current portion			(3,100,000)	(706,000)
Total			$3,789,200	$3,334,000
Interest rate			1.35%~1.83%	1.35%-1.93%

B. Interest was paid monthly, the principal of borrowings will be repaid at the earlier of due date or the completion date of construction-in-progress.

C. Construction-in-progress had been pledged as collateral for long-term bank borrowings, please refer to note 8 for details.

(14) Pensions

Defined contribution plan

A. The defined contribution plan of the Company’s Employee Retirement Plan is regulated according to the provisions of the Labor Pension Act. In accordance with the Act, contributions made by the employer cannot be lower than 6% of the participant’s monthly wages. Therefore, The Company makes 6% contributions of the monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance on a regular basis.

B. For the year ended December 31, 2021 and 2020, the pension expenses related to defined contribution plan amounted to $1,907 thousand and $1,626 thousand, respectively.

(15) Capital stock and capital increase

A. As of December 31, 2021 and 2020, total value of authorized ordinary shares were $9,000,000 thousand and $6,000,000 thousand, with par value of $10 per share. Total authorized ordinary shares were 900,000 thousands shares and 600,000 thousands shares. The paid-in capital were $6,398,681 thousand and $5,584,827 thousand, respectively. Common stocks outstanding were 639,868 thousands shares and 558,483 thousands shares, respectively.

B. The details of capital increasing as below:

Base date of capital increase	Nature	Increased amount	Shares (thousands shares)	Number of competent authority's approval
February 26, 2020	Conversion of convertible bonds	$5,454	545	Jing-Shou-Shang No.10901019630
May 22, 2020	Conversion of convertible bonds	$19,618	1,962	Jing-Shou-Shang No.10901082840
September 17, 2020	Stock dividends	$881,198	88,120	Jing-Shou-Shang No.10901170310
September 17, 2020	Conversion of convertible bonds	$28,095	2,810	Jing-Shou-Shang No.10901170310
November 27, 2020	Conversion of convertible bonds	$18,029	1,803	Jing-Shou-Shang No.10901217690
January 26, 2021	Conversion of convertible bonds	$4,346	434	Jing-Shou-Shang No.11001021300
May 11, 2021	Conversion of convertible bonds	$6,917	692	Jing-Shou-Shang No.11001088230
July 14, 2021	Conversion of convertible bonds	$6,623	662	Jing-Shou-Shang No.11001129410
September 28, 2021	Stock dividends	$782,484	78,249	Jing-Shou-Shang No.11001185990
November 9, 2021	Conversion of convertible bonds	$13,484	1,348	Jing-Shou-Shang No.11001213600

C. For the year ended December 31, 2021, the convertible bonds holders exercised the convert option, the Company issuance 3,880 thousands new shares which was increased paid-in capital amounting to $38,796 thousands. Among the 11,772 thousands shares had not performed registration and accounted on “Bond conversion entitlement certificates”. In addition, capital surplus - premium from convertible bond were increased amounting to $43,956 thousands and capital surplus – convertible bond option were written-off amounting to $2,889 thousands.

(16) Capital surplus

	December 31, 2021	December 31, 2020
A premium issuance of common shares for cash	$9,079	$9,079
Conversion premium of convertible bonds	198,179	154,223
Other (Unclaimed cash dividends)	164	116
Convertible bonds options (note 6(12))	5,158	8,047
Total	$212,580	$171,465

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(17) Retained earnings

A. Legal reserve

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

B. Unappropriated retained earnings

According to Article 28-1 of the Company’s Articles of Incorporation, the provisions regarding surplus appropriation is described below:

After paying the income taxes, the Company’s net earnings should first be used to offset the prior years’ deficits. Of the remaining balance, 10% is to be appropriated as legal reserve, which in accordance with the regulations of the competent authority or reversal appropriated retained earnings. And then any remaining profit, together with any undistributed retained earnings, shall be distributed as shareholders’dividends proposed by the Board of Directors to be submitted to the stockholders’ meeting for approval.

C. Dividend policy

The dividend policy of the Company is determined based on Article 28-1 of the Company’s Articles of Incorporation. The company operates in a capital-intensive industry and projects for material investment and financial improvement plans in the coming years, which growth period could not be identified yet. The cash dividends should not be less than 10% of the total dividends. In the event cash dividend per share is below $0.1, all dividends may be distributed in stock dividend.

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

D. Earnings distribution

(a) For the years ended December 31, 2020 and 2019, the details of earnings distribution and dividends per share were resolved by the shareholder's meeting on July 13, 2021 and June 10, 2020, were as follows:

	Appropriation of earnings		Dividend per share	
	Amount	Dividends per share (NT$)	Amount	Dividends per share (NT$)
Legal reserve	$82,214		$148,851	
Cash dividend	111,784	$0.2	463,789	$0.99
Stock dividend	782,484	1.4	881,198	1.88
Total	$976,482	$1.6	$1,493,838	$2.87

(b) The appropriation of 2021 earnings had been proposed by the Board of Directors on March 21, 2022, is distributed as follows:

	For the year ended December 31, 2021	
	Earnings appropriation plan	Dividends per share (NT$)
Legal reserve	$75,399	
Cash dividend	128,209	$0.2
Stock dividend	705,150	1.1
	$908,758	$1.3

The board of directors of the company had resolved to distribute $192,313 thousand of capital reserve in the form of new shares, at $0.3 per share.

The appropriation of 2021 earnings shall be resolved by the shareholder's meeting held on June 16, 2022.

(c) For details of employee bonus and remuneration to directors and supervisors, please referred to note 6 (20).

(18) Operating revenue

	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue from contracts with customers		
Sales of real estate	$4,271,739	$4,604,387
Rental revenue	2,576	2,491
Other operating income	-	9,614
Total	$4,274,315	$4,616,492

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

A. Revenue from contracts with customers

	For the year ended December 31, 2021	For the year ended December 31, 2020
Primary geographical markets:		
Taiwan	$4,274,315	$4,616,492
Major products/services lines:		
Sales of real estate	$4,271,739	$4,604,387
Rental revenue	2,576	2,491
Other operating income	-	9,614
Total	$4,274,315	$4,616,492
Timing of revenue recognition:		
Revenue transferred at a point in time	$4,271,739	$4,614,001
Products and services transferred over time	2,576	2,491
Total	$4,274,315	$4,616,492

B. Contract balance

	December 31, 2021	December 31, 2020
Contract liabilities-current	$1,576,139	$1,118,952

(a) Significant changes of contract liabilities

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes for the years ended December 31, 2021 and 2020.

(b) Contract liability balance at the beginning of the period and the amount of revenue recognized

The amount of revenue recognized for the years ended December 31, 2021 and 2020 that was included in the contract liability balance at the beginning of the period were $449,890 thousand and $466,119 thousand, respectively.

(c) Assets recognized from the revenue from contracts with customers

	December 31, 2021	December 31, 2020
Incremental costs of obtaining a contract	$324,521	$304,504

The amortized amount of the incremental cost of the Company's acquisition of the contract as of December 31, 2021 and 2020 were $122,645 thousand and $122,252 thousand.

(19) Non-operating income and expenses

A. Interest incomes

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest incomes -bank deposit	$475	$446
Interest incomes-other	2	115
Total	$477	$561

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

B. Other incomes

	For the year ended December 31, 2021	For the year ended December 31, 2020
Other incomes-others	$1,848	$888

C. Other profits and losses

	For the year ended December 31, 2021	For the year ended December 31, 2020
Gains (losses) on financial liabilities at fair value through profit or loss	$(25)	$670
Other losses(including compensation)	(537)	(1,624)
Losses on disposal of property, plant and equipment	(45)	-
Total	$(607)	$(954)

D. Financial cost

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest expense：		
Interest of bank borrowings	$138,615	$93,014
Interest of bonds payable	1,017	2,040
Interest on lease liability	31	47
Others	25,471	15,540
Subtotal	165,134	110,641
Less: assets capitalization	(135,922)	(91,683)
Total financial cost	$29,212	$18,958

(20) Employee benefit expenses

Summary of employee benefit expenses, depreciation and amortization by function of expense was as follows：

Function / Nature	For the year ended December 31, 2021			For the year ended December 31, 2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	$29,181	$22,877	$52,058	$21,050	$21,517	$42,567
Labor and medical insurance premiums	2,349	1,977	4,326	1,714	1,841	3,555
Pension expenses	1,126	781	1,907	881	745	1,626
Remuneration to Director	-	11,895	11,895	-	12,555	12,555
Other employee benefit expenses	1,011	2,902	3,913	804	4,473	5,277
Depreciation	-	5,049	5,049	-	4,337	4,337
Amortization	-	811	811	-	205	205

A. The employees of the Company were 63 and 54 for the years ended 2021 and 2020, respectively, both number of directors who have not served as employees is 4. In addition, the Company had established an audit committee in lieu of supervisors.

B. The average employees’ benefit expense were $1,054 thousands and $1,061 thousands for the years ended December 31, 2021 and 2020, respectively. And the average employees’ payroll expense were $882 thousands and $851 thousands for the years ended December 31, 2021 and 2020,respectively. The fluctuation rate was 3.64%.

C. Company’s Compensation Policy: Apart from base salary, the Company may reward employees with incentives to appropriately stimulate the morale and retain distinguished employees according to the operating conditions. The annual increase is determined by the ranking and merits of employees with the proposal of adjustments and amount of salary. Additionally, according to Article 23-1 of the Company’s Articles of Incorporation, the compensation for Company directors is determined by their involvement and value of contribution to corporate operations and participation, with reference to peer standards. The Board of Directors is authorized to determine such compensation at the meeting. The compensation for directors and salary for managers shall be proposed by the Salary Committee and submitted to the Board of Directors with suggestions for approval.

D. According to the Company’s Articles of Incorporation, the Company shall reserve at least 0.5% and no more than 2% of annual net profit, if any, for employee compensation and director compensation respectively. However, if the company has earnings after the close of the fiscal year, it shall set aside the sum for accumulated losses. The determination of distribution ratio for employee compensation and director compensation and the distribution of stock or cash for employee compensation shall be resolved by the Board of Directors, with two-third of directors attending the meeting and the consent of the majority of attending directors. The resolution shall be reported to the Shareholder’s Meeting.

E. For the years ended December 31, 2021 and 2020, the Company estimated the amount of employee compensation are $5,061 thousands and $5,358 thousands respectively; the estimated amount of director compensation are $8,618 thousands and $9,384 thousands respectively. The foregoing amounts are an estimation based on the profit before tax before deducting compensations of the current year distributed to employees and directors, multiplied by the appropriation percentage of employee and director compensation specified in the Company’s Articles of Incorporation. The said amounts are also recognized as the inventory costs and operating expenses for the years ended December 31, 2021 and 2020 respectively. However, any discretion between the actual distributed amount and estimated amount as resolved by the Board of Director Meetings shall be recognized as the annual loss of the Board of Director meeting.

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

F. The amounts for the year ended December 31, 2020 employee compensation and director compensation resolved by the Board of Directors are in conformity with the amounts recognized in the 2020 financial report. As of December 31, 2021, the distribution for employee compensation and director compensation from the previous year has been realized.

G. Information regarding employee and director remuneration resolved by the board of directors and reported in the shareholder meeting can be found on “Market Observation Post System”.

(21) Income tax

A. Components of income tax expenses:

(a) Income tax recognized as current profit and loss

	For the year ended December 31, 2021	For the year ended December 31, 2020
Current income tax expenses:		
Income tax from current income	$199,854	$209,405
Land value increment tax	255	373
Overvalued income tax for the preceding year	2,982	496
Surtax on undistributed earnings	-	-
Deferred income tax expenses:		
Generation and reversal of temporary difference	-	-
Written-off of deferred tax assets (prior reversed written-off)	(59)	242
Income tax expenses	$203,032	$210,516

(b) Income tax recognized as other comprehensive income：None.

B. Amount of deferred income tax assets/liabilities from temporary difference were as follows:

	For the year ended December 31, 2021				
	January 1	Recognition into (loss) gain	Recognition into other comprehensive (loss) gain	Recognition into equity	December 31
Deferred Income Tax Assets					
Recognition of warranty provision	$83	$101	$-	$-	$184
Allowance of doubtful debts overruns the limit of tax law	1,607	(3)	-	-	1,604
Others	39	(39)	-	-	-
Total	$1,729	$59	$-	$-	$1,788

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

	For the year ended December 31, 2020				
	January 1	Recognition into (loss) gain	Recognition into other comprehensive (loss) gain	Recognition into equity	December 31
Deferred Income Tax Assets					
Recognition of warranty provision	$318	$(235)	$-	$-	$83
Allowance of doubtful debts overruns the limit of tax law	1,613	(6)	-	-	1,607
Others	40	(1)	-	-	39
Total	$1,971	$(242)	$-	$-	$1,729

C. As of December 31, 2021 and 2020, current tax liabilities were $199,833 thousands and $209,889 thousands, respectively, which were the estimation of corporate income tax payable to the national treasury.

D. The Company's income tax return had been assessed and approved by the tax authorities till 2019.

(22) Earnings per share

	For the year ended December 31, 2021	For the year ended December 31, 2020
Basic earnings per share		
Net income attributable to common shareholders of the Company	$753,993	$822,140
Weighted average outstanding common shares	638,538	632,822
Basic earnings per share (unit: NTD)	$1.18	$1.30
Diluted earnings per share		
Net income attributable to common shareholders of the Company	$753,993	$822,140
Dilutive effect of potential common shares - convertible bonds	813	1,632
Net income attributable to common share holders of the Company	$754,806	$823,772
Weighted average outstanding common shares	638,538	632,822
Dilutive effect of potential common shares		
Effects of employee remuneration	176	195
Effects of Conversion of convertible bonds	9,487	12,037
Weighted average outstanding common shares	648,201	645,054
Diluted earnings per share (unit: NTD)	$1.16	$1.28

The number of weighted average outstanding shares in 2020 was 555,333 thousands shares. For comparison purpose, the number of outstanding shares of 2020 has been adjusted retrospectively due to the stock dividends in September 2021.

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

7. Related party transactions

(1) Names and relations of related parties

Name of related party	Relationship with the Company
Shi-Ying Chen	Main management
Hejia Investment Co., Ltd.,	Other related parties(The legal representative of the Company is a shareholder of the Company with over 10% of the shareholding)
Chen-Hai Lin	Other related parties (Shareholders with 10% shareholding or more)

(2) Significant transactions between the Company and related parties

A. Revenue

	For the year ended December 31, 2021	For the year ended December 31, 2020
Main management	$-	$30,545

The above transaction is subject to the general terms of sale (i.e. market prevailing price), and there is no significant transaction price or transaction term differences from the transaction with non-related parties.

B. Construction-in-progress

	December 31, 2021	December 31, 2020
Other related parties	$-	$279,530

In cooperation with the Company’s construction plan in Wuri District of Taichung City, the Company signed a contract with other related parties –Lin,Chen-Hai, in December 2020, to purchase the lands held for the construction site situated in Land. No. 135, Xin-Rong-He Section, Wuri District of Taichung City. The total contract price is $279,530 thousand. According to the contract, the amount of $251,577 thousand has been paid with the land transferred on December 31, 2020. Up to the date of this report, all remaining payment has been paid in full (recognized as inventory – Construction - in - progress).

C. Payables to related parties

Item	Relationship with the company	December 31, 2021	December 31, 2020
Accounts payable from related parties	Other related parties	$-	$27,953

No collateral was provided for the outstanding payables to relate parties.

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

(3) Compensation of key management staff

Key management compensation comprised as below:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Salary and other short-term employee benefits	$19,394	$20,089

8. Pledged assets

The Company provides the following assets as collaterals for borrowings, short-term notes payables and convertible bonds.

	December 31, 2021	December 31, 2020
Lands held for construction	$529,880	$-
Construction-in-progress	17,659,364	13,601,698
Property, plant and equipment - land	31,885	31,885
Property, plant and equipment - buildings	20,030	18,238
Other financial assets - current	1,339,310	1,125,013
Total	$19,580,469	$14,776,834

Pledged assets are presented at book value.

9. Major contingent liabilities and unrecognized contractual commitments

(1) The carrying amount of the farming and grazing land located at Da Cun Section was $20,728 thousand, the carring amount was the original cost less impairment. Due to the restriction of law, the land was registered under other person’s name. To ensure the Compnay’s right on the land, the first mortgage of the land was designated to the Company. The both parties also entered into an agreement of consent of unconditional transferring of the land to the Company. In addition, partial of the lands were expropriated in 2005 and the compensation for expropriation was $1,900 thousand, which was recognized under other receivables. Due to the financial problems of the third person, the expropriation compensation was restricted by the bank. The Company has started pressing for payment and recognize allowance for the doubtful debts.

(2) The unrecovered guarantee notes issued by the Company from the purchase of lands held for construction and bank financing is described below:

	December 31 2021	December 31 2020
Guarantee notes submitted	$8,886,600	$6,403,626

(3) As of December 31, 2021, the total contract price of the construction contracts signed by the Company and non-related parties was $3,010,481 thousand, and the total amount of $1,014,699 thousand was paid.

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

(4) The Company signed the contract for drawing from specified escrow account with financial institutions. The contract stated that if the Company fails to fulfill the contract with customer and the customer requests the financial institution for performance of guarantee responsibility, the financial institution shall exercise the right of set-off and deduct the balance of the deposits in the specified escrow account for advanced payment, after returning the principal and interests deposited in the specified escrow account. The financial institution may claim for compensation for the insufficient fund with accrued interest from the Company. For the years ended December 31, 2021 and 2020, for paying construction costs, the the Company had drawn down $271,500 thousand and $0, respectively. Please refer to Note 6(5) for the description on “Other current financial assets”.

10. Losses from major disasters: None.

11. Subsequent events: None.

12. Others

(1) Capital management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The company adjusts the company's loan amount according to the construction progress and the funds required for operation.

(2) Financial instrument

A. Types of financial instrument

Financial assets	December 31, 2021	December 31, 2020
Financial assets at amortised cost		
Cash and cash equivalents (excluding cash on hand and petty cash)	$165,695	$155,096
Notes receivables, net	-	174
Account receivables, net	1,427	32,216
Other current financial assets	1,339,310	1,125,013
Refundable deposits	34,498	29,218

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

Total	$1,540,930	$1,341,717

Financial liabilities	December 31, 2021	December 31, 2020
Financial liabilities at fair value through profit or loss	$278	$251
Financial liabilities at amortised cost		
Short-term borrowings	$1,594,900	$1,454,600
Short-term bills payables	1,059,178	2,353,151
Notes payables	824	7,633
Accounts payables(including related parties)	478,434	502,458
Other payables	493,108	427,765
Bonds payable	160,472	239,320
Long-term borrowings (including Current portion of long-term borrowings)	6,889,200	4,040,000
Deposits received	4,902	462
Total	$10,681,018	$9,025,389
Lease liabilities (including cuurent and non-current portion)	$730	$1,374

B. Risk management policy

(a) The Company's ctivities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Cash flow and fair value risk of interest rate

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2021 and 2020 would have increased/decreased by $95,433 thousand and $78,478 thousand respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

(b) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivable and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2021 and 2020, accounts receivable from top ten customers represented low percentage of the total accounts receivable of the Company. The credit concentration risk of other accounts receivable is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury department in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and no material default risk. Therefore, there is no significant credit risk for these counterparties.

All notes receivables and accounts receivables adopt a simplified approach to estimate the expected credit loss, namely using the expected credit from the duration to measure the loss. For measurement purposes, such notes receivables and accounts receivables shall be grouped according to the characteristics of common credit risks by product categories and customer evaluation, in addition to incorporating the measurement in the forward-looking information. The expected credit loss for the notes receivables and accounts receivables of the Company as of December 31, 2021 and 2020 is analyzed below:

		Overdue				
December 31, 2021	Current	Within 30 days	31-60 days	61-90 days	91 days and above	Total
Expected losses	-%	-%	-%	-%	-%	-%
Total book value	$1,427	$-	$-	$-	$-	$1,427
Loss provisions	$-	$-	$-	$-	$-	$-

		Overdue				
December 31, 2020	Current	Within 30 days	31-60 days	61-90 days	91 days and above	Total
Expected losses	-%	-%	-%	-%	-%	-%
Total book value	$32,390	$-	$-	$-	$-	$32,390
Loss provisions	$-	$-	$-	$-	$-	$-

The Company belongs to the construction industry and sells products by collecting down payments on the real estates in advance. The buyer pays for the remaining payment of real estate through a mortgage from the bank. Based on experience, there is no expected credit loss from notes receivables and accounts receivables.

Change of loss provisions on receivables:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Opening balance	$-	$-
Recognize impairment loss from accounts receivables	-	-
Written-off unrecoverable debts	-	-
Closing balance	$-	$-

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 1 year	2 to 3 years	4 to 5 years	5 years and above	Total
December 31, 2021					
Short-term borrowings	$1,594,900	$-	$-	$-	$1,594,900
Short-term notes payables	1,059,178	-	-	-	1,059,178
Financial liabilities at fair value through profit or loss- non-current	-	278	-	-	278
Accounts payables (included other payables)	972,366	-	-	-	972,366
Lease liabilities (including cuurent and non-current portion)	730	-	-	-	730
Bonds payable	-	160,472	-	-	160,472
Long-term borrowings (including portions due within 1 year or 1 business cycle)	690,400	4,303,600	1,895,200	-	6,889,200
Guarantee deposit received	4,902	-	-	-	4,902

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

	Less than 1 year	2 to 3 years	4 to 5 years	5 years and above	Total
December 31, 2020					
Short-term borrowings	$1,454,600	$-	$-	$-	$1,454,600
Short-term notes payables	2,353,151	-	-	-	2,353,151
Financial liabilities at fair value through profit or loss- non-current	-	251	-	-	251
Accounts payables (included other payables)	937,856	-	-	-	937,856
Lease liabilities (including cuurent and non-current portion)	1,374	-	-	-	1,374
Bonds payable	-	239,320	-	-	239,320
Long-term borrowings (including portions due within 1 year or 1 business cycle)	706,000	1,879,000	1,455,000	-	4,040,000
Guarantee deposit received	462	-	-	-	462

The Company has not expected earlier occurrence of the cash flow analyzed on the due date or any significant difference from the actual amount.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(9).

C. Financial instruments not measured at fair value

(a) Except for the items listed below, the carrying amounts of other accounts including cash and cash equivalents, notes receivable, accounts receivable, other current financial assests, refundable deposits, short-term borrowings, short-term notes payable, notes payable, accounts payable, other payables and deposit received are approximate to their fair values.

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

		Fair value		
	Book value	Level 1	Level 2	Level 3
December 31, 2021				
Financial liabilities：				
Bonds payable	$160,472	$-	$167,256	$-
Long-term borrowings (including portions due within 1 year or 1 business cycle)	6,889,200	-	6,889,200	-
Total	$7,049,672	$-	$7,056,456	$-
December 31, 2020				
Financial liabilities：				
Bonds payable	$239,320	$-	$249,371	$-
Long-term borrowings (including portions due within 1 year or 1 business cycle)	4,040,000	-	4,040,000	-
Total	$4,279,320	$-	$4,289,371	$-

(b) The methods and assumptions of fair value estimate are as follows:

i. Long-term borrowing (including current portion) values the fair value based on the book value shown on the balance sheets. The Company adopts floating rate for long-term borrowing which were adjusted in accordance with market conditions. Moreover, the Company does not impose special borrowing criteria on the mortgage contract, hence the borrowing rate of the Company should be similar to the market interest rate. The present discounted value of expected cash flow is estimated for the fair value, which is equivalent to the book value.

ii. Bonds payable：They are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

	Level 1	Level 2	Level 3	Total
December 31, 2021				
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative	$-	$278	$-	$278
December 31, 2020				
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative	$-	$251	$-	$251

E. The methods and assumptions the Compnay used to measure fair value are as follows:

(a) Instruments using market quotation as fair value input (i.e. level 2), distinguished by characteristics:

Financial instrument category	Valuation Technique and Input
Derivative -Call options and put options of Convertible bonds	Evaluate using Binomial Tree for Convertible Bond Pricing Model, according to the conversion price volatility, non-risk interest rate, risk discount rate, and residual maturity periods.

(b) The output of the valuation model is an approximation of estimation. However, the valuation technology may not reflect all relevant factors of the financial instruments and non-financial instruments held by the Company. Hence, the estimation of the valuation model will be adjusted appropriately according to the additional parameters. For example, model risks or liquidity risks. According to the management policy of the Company's fair value valuation model and relevant control procedures, management believes that it is applicable and necessary to adjust valuation in order to fairly express the fair value of the financial instrument and non-financial instrument in separate balance sheets. The price information and parameters used in the valuation process must be deliberately evaluated and appropriately adjusted according to the current market conditions.

F. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

(4) Effect of COVID-19

The evaluations show that the Company's ability to continue as a going concern, impairment of asset, and financing risk is not impacted by the COVID-19 pandemic.

13. Supplementary Disclosures

(1) Information relating to significant transactions and Supplementary disclosure regarding investee companies

Serial No.	Item	Attachments
A	Financing provided	None
B	Endorsements and guarantees provided:	None
C	Marketable securities held at the end of period (excluding investments in subsidiaries, associates and joint ventures)	None

(Expressed in thousand of New Taiwan dollars, unless otherwise stated in Footnotes)

Serial No.	Item	Attachments
D	Marketable securities acquired and disposed of at costs or prices of at least $300 million or 20% of the paid-in capital	None
E	Acquisition of real estate properties at costs of at least $300 million or 20% of the paid-in capital:	Table 1
F	Disposal of real estate properties at prices of at least $300 million or 20% of the paid-in capital:	None
G	Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital	None
H	Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital	None
I	Trading in derivative instruments undertaken during the reporting period	None
J	Intercompany relationships and significant intercompany transactions	None

(2) Investments in the Mainland

Serial No.	Item	Attachments
A	Information on investments in mainland China	None
B	Significant transactions, either directly or indirectly through a third area, with investee companies in China	None

(3) Major shareholders information: Table 2

14. Segment Information

The Compnay primarily engages in the business of construction of public housing, selling and leasing of residential and commercial buildings. There is only one reportable segment. The decision-maker of the company assesses performance and allocation resources in a overall perspective. The Company has only one reportable segment, the segment profit and loss and financial position is identical with comprehensive income statement and balance sheet, please refer to comprehensive income statement and balance sheet.

(Expressed in thousands of New Taiwan dollars, unless otherwise stated in Footnotes)

Table 1 - Acquisition of real estate properties at costs of at least $300 million or 20% of the paid-in capital:

Type of Property	Transaction date	Transaction amount	Status of payment	Counterparty	Nature of Relationship	Where Counterparty is a Related Party, Details of Prior Transaction				Price Reference	Purpose of Acquisition	Other
						Former Holder of Property	Former Holder	Transfer Date	Amount			
Tou Zhong Xi Section No.202 and other 2 properties, Yangmei Dist, Taoyuan city	January 8, 2021	$616,277	Paid in accordance with contract	Chen, Zheng-Zong	Non related parties	-	-	-	-	Negotiated with seller and refer to appraisal report issued by external appraisers.	For construction and operating purpose.	None
Xin Zhan Nan Section No.15 and other 2 properties, Wuri Dist, Taichung city	February 19, 2021	$386,953	Paid in accordance with contract	Liu,Zhen-Gui and other 5 person	Non related parties	-	-	-	-	Negotiated with seller and refer to appraisal report issued by external appraisers.	For construction and operating purpose.	None
Long Mu Jing Section Shui Li She Section No.8-2 and other 4 properties, Longjing Dist, Taichung city	March 24, 2021	$376,592	Paid in accordance with contract	Lin,Shi-Chang and other 4 person	Non related parties	-	-	-	-	Negotiated with seller and refer to appraisal report issued by external appraisers.	For construction and operating purpose.	None
Feng Xing Section No.215, Zhongli Dist, Taoyuan city	September 14, 2021	$529,689	Paid in accordance with contract	Department of Land Administraton, Taoyuan	Non related parties	-	-	-	-	Successful tenderer	For construction and operating purpose.	None
Ping Dao Section No.299 and other 3 properties, Yongkang Dist, Tainan city	September 24, 2021	$792,680	Paid in accordance with contract	Tsai,Chun-Sheng and other 1 person	Non related parties	-	-	-	-	Negotiated with seller and refer to appraisal report issued by external appraisers.	For construction and operating purpose.	None

Table 2 - Major shareholders information

Major shareholder name	Number of shares	Ownership (%)
Shu-Chiung Tseng	141,284,647	22.03%
Chen-Hai Lin	140,720,750	21.95%
Ho-Yang Management Consultant Co., Ltd	123,040,627	19.19%

Note 1: This table is calculated by Taiwan Depository & Clearing Corporation, using total number of ordinary shares and preferred shares held by the shareholders who have completed the company's non-physical registration and delivery (including treasury shares) is more than 5% on the last business day at the end of each quarter. As for the share capital recorded in the company's financial report and the number of shares which the company has completed the non-physical registration and delivery, may be different from computational basis.

Note 2: Above information if belongs to shareholders delivering the shares to the trust, will be disclosed by the principal individual account of the trustee opened the trust account. As for shareholders who handle the declaration of insider equity holding more than 10% of their shares in accordance with the Securities and Exchange Act, their shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, etc. Please refer to the information on the MOPS for insider equity declaration.

SAKURA DEVELOPMENT Co., Ltd.

Statement of Cash and Cash Equivalents

As of December 31, 2021

Item	Description	Amount	Note
Petty cash		$40	
Demand deposits (NTD)		165,695	
Total		$165,735	

SAKURA DEVELOPMENT Co., Ltd.

Statement of Accounts Receivable

As of December 31, 2021

Item	Description	Amount	Note
Receivables for sale buildings and land	Chyun Ying Huei	$1,427	
Less: allowance		-	
Total		$1,427	

SAKURA DEVELOPMENT Co., Ltd.

Statement of Inventories

As of December 31, 2021

Item	Summary	Amount	Note
Buildings and land held for sale		$-	Refer to Statement of Buildings and land held for sale
Land held for construction		681,392	The individual balance does not reach 5% of the balance of the subject.
Construction-in-progress	Wen Bei Section	1,766,490	
	Yu Xian Section 4th phase	1,050,713	
	Yu Xian Section 6th phase	1,050,865	
	Yu Xian Section 7th phase	934,980	
	Hou Long Zi Section	790,009	
	Shan Jie Section	650,575	
	Niu Chou Zi Section	610,755	
	Zhong Shan Section	624,890	
	Shi Zhen Bei Section	601,763	
	Qing Ping Section	1,086,070	
	Yu Xian Section 8th phase	1,341,795	
	Bei Xin Section	1,484,018	
	Xin Guo Section 1st phase	460,450	
	Xin Guo Section 2nd phase	44,374	
	Xin Guo Section 3rd phase	237,057	
	Tou Jia Section 1st phase	352,177	
	Tou Jia Section 2nd phase	310,247	
	Dong Guang Section	1,060,904	
	Zhi Yong Section 1st phase	125,119	
	Zhi Yong Section 2nd phase	220,047	
	Xin Rong He Section 2nd phase	353,913	
	Xin Rong He Section 3rd phase	1,335,530	
	Tou Zhong Xi Section 2nd phase	264,497	
	Tou Zhong Xi Section 3rd phase	363,413	
	Xin Zhan Nan Section 2nd phase	393,691	
	Long Mu Jing Section	382,704	
	Feng Xing Section	378	
		17,897,424	
Prepayment for land purchased		128,299	The individual balance does not reach 5% of the balance of the subject.
Land held for building bulk transfer		304,931	The individual balance does not reach 5% of the balance of the subject.
Total		$19,012,046	

SAKURA DEVELOPMENT Co., Ltd.

Statement of Buildings and Land Held for Sale

For the year ended December 31, 2021

Item	Beginning balance	Increase (Including reclassification)	Decrease (Including reclassification)	Ending balance
Land held for sale				
Hai Zi Wang 2	$50,977	$-	$50,977	$-
Chyun Ying Huei	-	258,509	258,509	-
Jian Chiao Hua Yuan	-	442,110	442,110	-
Chyun Syong Huei	-	300,631	300,631	-
Buildings held for sale				
Hai Zi Wang 2	51,613	-	51,613	-
Chyun Ying Huei	-	373,262	373,262	-
Jian Chiao Hua Yuan	-	901,627	901,627	-
Chyun Syong Huei	-	542,238	542,238	-
Total	$102,590	$2,818,377	$2,920,967	$-

SAKURA DEVELOPMENT Co., Ltd.

Statement of Short-term borrowings

As of December 31, 2021

Creditor	Nature	Ending balance	Contract Period	Range of interest rates	Currency	Financing facilities	Pledged assets
Far Eastern International Bank	Secured	$619,000	2019.06.12-2023. 06.12	1.35%	NTD	$776,000	Construction-in-progress - Qing Ping Section
Taishin Bank	Secured	106,000	2021.08.19-2022.05.20	1.80%	NTD	509,000	Construction-in-progress - Long Mu Jingl Section
Taiwan Cooperative Bank	Credited	89,000	2021.10.22-2022.10.22	1.30%	NTD	89,000	-
KGI Bank	Secured	224,900	2021.12.13-2022.12.13	1.80%	NTD	270,000	Land held for construction - Feng Xing Section
Shin Kong Bank	Secured	245,000	2021.11.22-2022.01.21	1.61%	NTD	250,000	Construction-in-progress – Zhong Shan Section
Shin Kong Bank	Secured	171,000	2021.11.22-2022.01.21	1.62%	NTD	171,000	Construction-in-progress – Zhong Shan Section
Taishin Bank	Secured	140,000	2021.12.05-2022.01.05	1.53%	NTD	140,000	Construction-in-progress – Xin Guo Section 3rd phase
Total		$1,594,900					

SAKURA DEVELOPMENT Co., Ltd.

Statement of Short-term Notes ayable

As of December 31, 2021

Contents	Guarantors	Contract Period	Range of interest rates	Amount			Collaterals
				Issued amount	Unamortized discount	Book value	
Short-term notes payable	Ta Ching Bills	2021.12.16-2022.03.16	1.152%	$185,500	$(433)	$185,067	Construction-in-progress - Zhi Yong Section 1st and 2nd phase
	MEGA Bills	2021.11.12-2022.01.11	0.692%	285,600	(54)	285,546	Construction-in-progress – Yu Xian Section 4th phase
	MEGA Bills	2021.11.12-2022.01.11	0.692%	113,000	(22)	112,978	Construction-in-progress - Shan Jie Section
	MEGA Bills	2021.12.10-2022.01.07	0.850%	50,000	(7)	49,993	Construction-in-progress - Shan Jie Section
	International Bills	2021.12.16-2022.02.11	0.850%	124,000	(118)	123,882	Construction-in-progress - Yu Xian Section 7th phase
	International Bills	2021.12.16-2022.02.11	0.850%	302,000	(288)	301,712	Construction-in-progress - Yu Xian Section 7th phase
Total				$1,060,100	$(922)	$1,059,178	

SAKURA DEVELOPMENT Co., Ltd.

Statement of Contract Liabilities - current

As of December 31, 2021

Item	Description	Amount	Note
Advances for house sold	Wen Bei Section	$571,387	
	Yu Xian Section 4th phase	179,209	
	Yu Xian Section 6th phase	177,600	
	Yu Xian Section 7th phase	208,419	
	Shan Jie Section	89,933	
	Qing Ping Section	184,038	
Advance for lands sold	Wen Bei Section	72,853	
	Yu Xian Section 4th phase	26,000	
	Yu Xian Section 6th phase	19,200	
	Yu Xian Section 7th phase	17,800	
	Shan Jie Section	10,800	
	Qing Ping Section	18,900	
Total		$1,576,139	

SAKURA DEVELOPMENT Co., Ltd.

Statement of Notes Payable

As of December 31, 2021

Vendor Name	Description	Amount	Note
Hotai Leasing Corporation	Official car rental fee	$60	
Zhang, Yu-Sheng	Dormitory rent at Shi Zhen Bei Section	45	
Tsai, Ming-Yu	Dormitory rent at Shi Zhen Bei Section	121	
Lu, Shih-Sian	Dormitory rent at Shi Zhen Bei Section	88	
Others		510	The individual balance does not reach 5% of the balance of the subject.
Total		$824	

SAKURA DEVELOPMENT Co., Ltd.

Statement of Accounts Payable

As of December 31, 2021

Vendor Name	Description	Amount	Note
Guocheng Construction Ltd	Purchases	$95,715	
Yihdarlih Steel Co., Ltd	Purchases	51,809	
Goldsun Building Materials Co., Ltd.	Purchases	56,517	
Others		274,393	The individual balance does not reach 5% of the balance of the subject.
Total		$478,434	

SAKURA DEVELOPMENT Co., Ltd.

Statement of Other Payable

As of December 31, 2021

Item	Description	Amount	Note
Accrued interest payable		$4,673	
Accrued payroll expenses		16,025	
Accrued service expense		753	
Accrued commission		327,015	
Other accrued expenses payable		1,501	The individual balance does not reach 5% of the balance of the subject.
Employee bonus payable		5,061	
Compensation to directors		8,618	
Construction retainage receivables		129,462	
Total		$493,108	

SAKURA DEVELOPMENT Co., Ltd.

Statement of Lease Liabilities

As of December 31, 2021

Item	Description	Lease period	Discount rate	Ending balance	Note
Transportation equipment	company car	3 years	1.93%	$730	
Less: Current portion				(347)	
Lease liabilities - non-current				$383	

SAKURA DEVELOPMENT Co., Ltd.

Statement of Long-term borrowings

As of December 31, 2021

Lender	Nature	Ending balance	Contract period	Range of interest rates	Pledged assets
Taiwan Cooperative Bank, Jian Cheng Branch	Secured	$950,000	2020.01- 2023.12	1.73%~1.83%	Construction-in-progress - Bei Xin Section
Taiwan Cooperative Bank, Wu Cyuan Branch	Secured	153,000	2021.03- 2024.12	1.68%	Construction-in-progress - Xin Rong He Section 2nd phase
Taiwan Cooperative Bank, Huei Long Branch	Secured	338,000	2021.05- 2024.06	1.68%	Construction-in-progress – Tou Zhong Xi Section
Taiwan Cooperative Bank, Si Tun Branch	Secured	707,900	2021.08- 2025.04	1.68%	Construction-in-progress – Dong Guang Section
Land Bank of Taiwan, Nan Taichung Branch	Secured	212,300	2021.05- 2026.05	1.68%	Construction-in-progress - Xin Zhan Nan Section 2nd phase
CTBC Bank, Shizheng Branch	Secured	690,400	2018.05- 2024.03	1.68%	Construction-in-progress - Wen Bei Section
CTBC Bank, Shizheng Branch	Secured	910,000	2019.10-2024.10	1.54%	Construction-in-progress - Yu Xian Section 8th phase
Bank of Taiwan, Changhua Branch	Secured	354,000	2019.05-2023.05	1.7146%	Construction-in-progress - Niu Chou Zi Section
Agriculture Bank of Taiwan, Taichung Branch	Secured	280,000	2019.09-2023.09	1.65%	Construction-in-progress - Shi Zhen Bei Section
Agriculture Bank of Taiwan, Taichung Branch	Secured	700,000	2021.04- 2026.04	1.65%	Construction-in-progress - Xin Rong He Section 3rd phase
Agriculture Bank of Taiwan, Xinzhu Branch	Secured	275,000	2020.09- 2025.09	1.65%	Construction-in-progress - Xin Guo Section 1st phase
Agriculture Bank of Taiwan, Xinzhu Branch	Secured	30,000	2020.11- 2024.11	1.65%	Construction-in-progress - Xin Guo Section 2nd phase
First Commercial Bank, Taichung Branch	Secured	463,000	2020.10- 2024.10	1.60%	Construction-in-progress -Tou Jia Section 1st and 2nd phase
Far Eastern International Bank	Secured	300,000	2019.08-2023.03	1.35%	Construction-in-progress - Hou Long Zi Section
Mega International Commercial Bank, Zhong Taichung Branch	Secured	525,600	2021.09- 2023.06	1.685729%	Construction-in-progress - Yu Xian Section 6th phase
Current portion		(3,100,000)			
Total		$3,789,200			

SAKURA DEVELOPMENT Co., Ltd.

Statement of Operating Revenues

For the year ended December 31, 2021

Item	Description	Amount	Note
Construction revenue			
Buildings- Hai Zi Wang 2		$72,523	
Buildings- Chyun Ying Huei		468,584	
Buildings- Jian Chiao Hua Yuan		1,186,880	
Buildings- Chyun Syong Huei		660,294	
Land- Hai Zi Wang 2		93,071	
Land- Chyun Ying Huei		425,086	
Land- Jian Chiao Hua Yuan		830,816	
Land- Chyun Syong Huei		536,832	
Rental revenue		2,576	
Less: Construction revenue sales returns and discounts		(2,347)	
Total		$4,274,315	

SAKURA DEVELOPMENT Co., Ltd.

Statement of Operating Costs

For the year ended December 31, 2021

Item	Description	Amount	Note
Cost of land	Hai Zi Wang 2	$50,977	
	Chyun Ying Huei	258,509	
	Jian Chiao Hua Yuan	442,110	
	Chyun Syong Huei	300,631	
Cost of buildings	Hai Zi Wang 2	51,613	
	Chyun Ying Huei	373,262	
	Jian Chiao Hua Yuan	901,627	
	Chyun Syong Huei	542,238	
	Others	(7,908)	
Others	Warranty cost	1,996	
	Other cost	150	
Total		$2,915,205	

SAKURA DEVELOPMENT Co., Ltd.

Statement of Selling Expenses

For the year ended December 31, 2021

Item	Description	Amount	Note
Advertisement expense		$131,394	
Commission expense		145,954	
Other expenses		5,904	The individual balance does not reach 5% of the balance of the subject.
Total		$283,252	

SAKURA DEVELOPMENT Co., Ltd.

Statement of General and Administrative Expenses

For the year ended December 31, 2021

Item	Description	Amount	Note
Payroll expense		$32,630	
Repair and maintenance expense		7,113	
Taxes		26,510	
Depreciation expense		5,050	
Other expenses		20,036	The individual balance does not reach 5% of the balance of the subject.
Total		$91,339	