

Radium Life Tech Co., Ltd. and
Subsidiaries

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

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Representation Letter

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

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

Radium Life Tech Co., Ltd.

Rong Shian Lin
Chairman

March 29, 2022

Independent Auditor’s Report

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

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

Valuation of property inventories

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

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

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

Other Matters

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosure, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yang, ChingCheng and Fang, Alice.

Yang, ChingCheng

Fang, Alice

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

Notice to Readers

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

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

Radium Life Tech Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

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

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

Radium Life Tech Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

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

(Continued)

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

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

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

	Total equity attributable to owners of the Company										
	Share Capital					Retained Earnings		Other Equity		Non-controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain/(loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total		
BALANCE AT JANUARY 1, 2020	\$ 9,123,076	\$ 1,299,873	\$ 179,986	\$ 4,360	\$ 1,134,675	(\$ 1,444)	(\$ 1,890)	\$ -	\$ 11,738,636	\$ 545,155	\$ 12,283,791
Appropriation of 2019 earnings											
Legal reserve appropriated	-	-	40,673	-	(40,673)	-	-	-	-	-	-
Cash dividends distributed by the company	-	-	-	-	(547,385)	-	-	-	(547,385)	-	(547,385)
Reversal of special reserve	-	-	-	(1,026)	1,026	-	-	-	-	-	-
Net income in 2020	-	-	-	-	622,688	-	-	-	622,688	44,597	667,285
Other comprehensive income in 2020, net of income tax	-	-	-	-	(62)	55	3,365	-	3,358	114	3,472
Total comprehensive income in 2020	-	-	-	-	622,626	55	3,365	-	626,046	44,711	670,757
Buy-back of ordinary shares	-	-	-	-	-	-	-	(114,160)	(114,160)	-	(114,160)
Retirement of treasury share	(122,130)	7,970	-	-	-	-	-	114,160	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	(55,428)	(55,428)
BALANCE AT DECEMBER 31, 2020	9,000,946	1,307,843	220,659	3,334	1,170,269	(1,389)	1,475	-	11,703,137	534,438	12,237,575
Appropriation of 2020 earnings											
Legal reserve appropriated	-	-	62,263	-	(62,263)	-	-	-	-	-	-
Cash dividends distributed by the company	-	-	-	-	(558,058)	-	-	-	(558,058)	-	(558,058)
Reversal of special reserve	-	-	-	(1,945)	1,945	-	-	-	-	-	-
Net income in 2021	-	-	-	-	60,343	-	-	-	60,343	2,707	63,050
Other comprehensive income in 2021, net of income tax	-	-	-	-	1,294	42	(1,673)	-	(337)	111	(226)
Total comprehensive income in 2021	-	-	-	-	61,637	42	(1,673)	-	60,006	2,818	62,824
Buy-back of ordinary shares	-	-	-	-	-	-	-	(38,752)	(38,752)	-	(38,752)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(822)	(822)
Non-controlling interests	-	-	-	-	-	-	-	-	-	(54,694)	(54,694)
BALANCE AT DECEMBER 31, 2021	\$ 9,000,946	\$ 1,307,843	\$ 282,922	\$ 1,389	\$ 613,530	(\$ 1,347)	(\$ 198)	(\$ 38,752)	\$ 11,166,333	\$ 481,740	\$ 11,648,073

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

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

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

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

CASH FLOWS FROM INVESTING ACTIVITIES

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

(Continued)

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

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

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

1. Organization and Operations

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

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

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

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

2. Date and Procedures for Approval of the Financial Report

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

3. Application of Newly Issued and Amended Standards and Interpretations

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

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

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

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

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

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

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

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

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

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

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

(III) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

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

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

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

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

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

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

4. Summary of Significant Accounting Policies

(I) Statement of compliance

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

(II) Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

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

that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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

(IV) Basis of consolidation

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

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

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

(V) Foreign currencies

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

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

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

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

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

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

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

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

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

(VI) Inventories

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

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

(VII) Investments in associates

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

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

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

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

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

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

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

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

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

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

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

(VIII) Joint operation

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

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

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

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

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

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

(IX) Property, plant and equipment

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

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

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

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

(X) Investment properties

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

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

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

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

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

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

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

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

(XI) Goodwill

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

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

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

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

(XII) Intangible assets

1. Acquired separately

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

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

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

2. Derecognition

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

(XIII) Assets related to contract costs

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

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

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

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

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

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

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

(XV) Financial instruments

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

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

1. Financial assets

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

(1) Measurement types

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

A. Financial assets at FVTPL

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

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

B. Financial assets at amortized cost

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

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

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

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

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

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

C. Investments in equity instruments at FVTOCI

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

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

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

(2) Impairment of financial assets and contract assets

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

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

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

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

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

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

(3) Derecognition of financial assets

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

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

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

2. Equity instruments

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

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

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

3. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

(XVI) Provisions

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

1. Onerous contract

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

2. Warranties

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

(XVII) Revenue recognition

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

1. Construction revenue

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

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

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

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

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

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

2. Shopping mall revenue

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

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

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

3. Hotel service revenue

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

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

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

(XVIII) Leases

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

1. The Group as lessor

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

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

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

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

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

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

2. The Group as lessee

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

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

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

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

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

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

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

(XIX) Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of said assets, until such time as the assets are substantially ready for their intended use or sale.

For specific borrowings, if the investment income earned by making a temporary investment before the capital expenditure that meets the requirements is incurred, it is deducted from the borrowing costs that meet the capitalization conditions.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XX) Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods, in which the Group recognizes in expenses the relevant costs for which the grants are intended to compensate.

If government grants are used to compensate expenses or losses incurred, or are given to the Group for the purpose of immediate financial support without relevant future costs, they can be recognized in profit or loss in the period, during which the Group can receive said grants.

(XXI) Employee benefits

1. Short-term employee benefits

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

2. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

The defined benefit cost under the defined benefit retirement benefit plan (including service cost, net interest, and rereasurement) is calculated based on the projected unit credit method. The service cost (including the service costs

for the current period and the past service cost) and the net interest on the net defined benefit liabilities (assets) are recognized in employee benefit expenses as they occur. The remeasurement (including actuarial gains and losses, effect of changes in assets limits, and the return on plan assets, net of interest) is recognized in other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss subsequently.

The net defined benefit liabilities (assets) are the deficit (surplus) of the defined benefit retirement benefit plan. The net defined benefit assets may not exceed the present value of any refunds from the plan or reductions in future contributions to the plan.

(XXII) Income tax

The income tax expense represents the sum of the current income tax and deferred tax.

1. Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction .

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2. Deferred tax

Deferred tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the

end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred tax

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the management is required to make judgments, estimations, and assumptions about the relevant information that is not readily accessible from other sources based on historical experience and other relevant factors. Actual results may differ from these estimates.

The management will constantly review the estimates and basic assumptions. If a revision of an estimate only affects the current period, it shall be recognized in the period in which the revision occurs. If a revision of an accounting estimate affects the current period and future periods, it shall be recognized in the period in which the revision occurs and future periods.

Key Sources of Estimation Uncertainty

Inventories impairment

The net realizable value of inventories is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. These estimates are based on current market conditions and historical sales experience in similar products. Changes in market conditions may materially affect the results of these estimates.

6. Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash	\$ 9,977	\$ 10,184
Checking accounts and demand deposits	3,412,279	3,536,610
Foreign currency deposits	12,856	8,247
Cash equivalents		
Stimulus vouchers	8,648	10,369
Time deposit (with the original maturities of 3 months or less)	9,980	-
	<u>\$ 3,453,740</u>	<u>\$ 3,565,410</u>

7. Financial assets at FVTPL

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Non-derivative financial assets mandatorily at fair value through profit or loss		
Fund beneficiary certificates	<u>\$ 18,329</u>	<u>\$ 12,940</u>

Please refer to Note 29 for the net gains (losses) on financial instruments at FVTPL.

8. Financial assets at FVTOCI

Investments in equity instruments at FVTOCI

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Non-current</u>		
Domestic unlisted shares	<u>\$ 57,233</u>	<u>\$ 58,795</u>

The Group invests in the above-mentioned unlisted stocks for medium- to long-term strategic purposes, and expects to make profits through long-term investments. The Group's management believes that recognizing the short-term fluctuations in the fair value of such investments in profit or loss is not consistent with the aforementioned long-term investment plan. Therefore, the management elected to designate these investments in equity instruments as at FVTOCI.

9. Financial assets at amortized cost

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Domestic investments		
Time deposit with the original maturities date of more than 3 months	\$ 60,000	\$ 82,960
Other financial assets (1)	<u>973,724</u>	<u>316,356</u>
	<u>\$ 1,033,724</u>	<u>\$ 399,316</u>
<u>Non-current</u>		
Domestic investments		
Time deposit with the original maturities date of more than 3 months	\$ 127,243	\$ 141,196
Other financial assets (1)	<u>1,866,411</u>	<u>2,487,933</u>
	<u>\$ 1,993,654</u>	<u>\$ 2,629,129</u>

- (I) Other financial assets are restricted assets, such as reserve accounts for bank deposits and trust account.
- (II) Please refer to Note 33 for information relating to investments in financial assets at amortized cost pledged as security.

10. Notes receivable and trade receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 19,048	\$ 19,833
Less: Loss allowance	<u>-</u>	<u>-</u>
	<u>19,048</u>	<u>19,833</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	1,118,704	441,930
Less: Loss allowance	(<u>920</u>)	(<u>1,250</u>)
	<u>1,117,784</u>	<u>440,680</u>
Total	<u>\$ 1,136,832</u>	<u>\$ 460,513</u>

When determining the recoverability of trade receivables, the Group considers the changes in the credit quality of trade receivables during the period from the original credit date to the time it is presented in the balance sheet. Based on the historical experience, except for the counterparty of a transaction is any government agency, bank credit card center, or security company with great credit quality, in principle, the Group adopts individual evaluation and a simplified approach as in IFRS 9 to recognize loss allowance for trade receivables based on the lifetime expected credit losses. The lifetime expected credit losses are based on each customer's past default history, current financial position, and industrial economic situation, as well as the industry outlook.

Based on the Group's historical experience in credit losses, the loss patterns of different customers are significantly different, the expected credit loss rate is calculated based on the trade receivables of individual customers.

If there is evidence that a counterparty is facing serious financial difficulties and the Group cannot reasonably expect to recover the amount, e.g., the counterparty is in liquidation, the Group will directly write off the relevant trade receivables, but will continue to try to collect the receivable. The recovered amount is recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix:

December 31, 2021

	Not past due	1 to 90 days past due	91 to 180 days past due	Over 180 days past due	Counterparty has a sign of default	Total
Expected credit loss rate	0%	4%	22%	57%	100%	
Gross carrying amount	\$1,135,429	\$ 178	\$ 1,162	\$ 762	\$ 221	\$1,137,752
Loss allowance (lifetime expected credit losses)	-	(8)	(258)	(433)	(221)	(920)
Amortized cost	<u>\$1,135,429</u>	<u>\$ 170</u>	<u>\$ 904</u>	<u>\$ 329</u>	<u>\$ -</u>	<u>\$1,136,832</u>

December 31, 2020

	Not past due	1 to 90 days past due	91 to 180 days past due	Over 180 days past due	Counterparty has a sign of default	Total
Expected credit loss rate	0%	10%	20%	50%	100%	
Gross carrying amount	\$ 459,339	\$ 29	\$ 1,389	\$ 74	\$ 932	\$ 461,763
Loss allowance (lifetime expected credit losses)	-	(3)	(278)	(37)	(932)	(1,250)
Amortized cost	<u>\$ 459,339</u>	<u>\$ 26</u>	<u>\$ 1,111</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 460,513</u>

The movements of the loss allowance of trade receivables were as follows:

	<u>2021</u>	<u>2020</u>
Balance at January 1	\$ 1,250	\$ 2,721
Add: Net remeasurement of loss allowance	53	460
Less: Amounts written off	(383)	(1,931)
Balance at December 31	<u>\$ 920</u>	<u>\$ 1,250</u>

11. Finance lease receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Undiscounted lease payments		
Year 1	\$ 28,003	\$ 28,572
Year 2	20,658	32,338
Year 3	211	23,792
Year 4	-	5,417
Year 5	-	5,274
Year 6 onwards	-	<u>13,525</u>
	<u>48,872</u>	108,918
Less: Unearned finance income	(<u>870</u>)	(<u>5,505</u>)
Lease payments receivable	<u>48,002</u>	<u>103,413</u>
Net investment in leases presented as finance lease receivables	<u>\$ 48,002</u>	<u>\$ 103,413</u>

The Group measures the loss allowance for the finance lease receivables based on the lifetime expected credit losses. As of the end of the reporting period, there were no overdue finance lease receivables. At the same time, considering the past default history of each counterparty, the future development of the underlying lease industry, and the value of the collateral, the Group believed that the finance lease receivables above were not impaired.

12. Inventories

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Property under development	\$ 1,346,387	\$ 1,701,880
Property to be developed	1,349,159	724,831
Buildings and land held for sale	5,311,059	6,103,284
Merchandise inventory	21,816	21,370
Prepayment for land purchases	17,550	28,854
Others	<u>19,257</u>	<u>27,417</u>
	<u>\$ 8,065,228</u>	<u>\$ 8,607,636</u>

Property under development

<u>Project name</u>	Estimated completion year	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Sanzhi Project - East Side	2024	\$ 1,151,786	\$ 856,562
Sanzhi Project - West Side	2025	194,601	-
Qingpu Project	2021	-	<u>845,318</u>
		<u>\$ 1,346,387</u>	<u>\$ 1,701,880</u>

Property to be developed

<u>Project name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Qiao-An	\$ 858,469	\$ 52,918
Beitou District	408,959	408,959
Guisui, Chongqing North Road	41,121	41,121
Qishan District	40,610	40,610
Sanzhi Project - West Side	-	<u>181,223</u>
	<u>\$ 1,349,159</u>	<u>\$ 724,831</u>

Buildings and land held for sale

Project name	December 31, 2021	December 31, 2020
Fu-Jou project	\$ 4,632,671	\$ 4,718,810
MRT Daqiaotou Station Project	384,404	1,245,381
Qingpu Project	184,832	-
Xindian Project	34,937	40,735
Badu Project	9,894	29,773
Youth Social Housing Project	-	4,264
Others	64,321	64,321
	\$ 5,311,059	\$ 6,103,284

- (I) As of December 31, 2021 and 2020, inventories of \$2,713,096 thousand and \$1,610,247 thousand, respectively, are expected to be recovered after more than 12 months.
- (II) The inventories pledged as collateral for bank borrowings are set out in Note 33.
- (III) To enable the construction projects and construction to proceed, the completed construction projects to be delivered, and the development contract to be fulfilled smoothly, the Group's registration of the trust of construction in progress and remaining unsold housing units is as follows:

Project name	Trustee	Trust period
Sanzhi Project – East & West Side	Pauguo Real Estate Management Co., Ltd.	The construction contract started from December 30, 2019, and the project was completed, and the first-time registration of ownership was completed.
T9 Project	KGI Commercial Bank	From September 8, 2006 to the date of expiry or termination of the development and management contract for the T9 land in the dedicated area of the Taipei Main Station, or the date when the trust relationship between both parties is terminated.
Youth Social Housing Project	Mega International Commercial Bank	From September 11, 2014 to the date when the Rih-Siang fully paid off its debts under a syndicated loan contract, or the construction and operation contract is cancelled or terminated.

For the above-mentioned trust contract, the Group entrusts the trustees to execute fund control, property right management, financing loan repayment, self-raising funds, and necessary expenses and expenditures incurred by the trust relationship.

- (IV) Please refer to Note 19 for the information on the reclassification of inventory to investment property due to changes in the purpose of use.
- (V) Total operating costs for 2021 and 2020 included reversal of write-down of inventories of \$4,136 thousand and \$6,652 thousand, respectively. The reversal of the net realizable value of inventories was due to the increase in the selling price of the inventories in the market.

13. Subsidiaries

Subsidiaries included in the consolidated financial statements

The main entities included in the consolidated financial statements are as follows:

Investor Company	Subsidiary name	Nature of activities	Proportion of ownership	
			December 31, 2021	December 31, 2020
RADIUM	Ji-Shun Life Tech Co., Ltd. (Ji-Shun)	Housing and Building Development and Rental	100.00%	100.00%
RADIUM	Li-Jiang Development Co., Ltd. (Li-Jiang)	Housing and Building Development and Rental	100.00%	100.00%
RADIUM	Rih Yao Development Co., Ltd. (Rih-Yao)	Housing and Building Development and Rental	100.00%	100.00%
RADIUM	Radium Far East Co., Ltd. (Far East)	Housing and Building Development and Rental	99.93%	99.93%
RADIUM	Titan Development and Construction Co., Ltd. (Titan)	Civil Construction	100.00%	100.00%
RADIUM	Wan Da Tong Enterprise Co., Ltd. (Wan-Da-Tong)	Development of the T9 Land in the Dedicated Area of the Taipei Main Station	28.35%	28.35%
RADIUM	Radium-Kagaya International Hotel Co., Ltd. (KaGaYa)	Hot Spring Hotel	100.00%	100.00%
RADIUM	Zhao Yao Enterprise Co., Ltd. (Zhao-Yao)	Housing and Building Development and Rental	100.00%	100.00%
RADIUM	Clever Base Investments Limited (Clever Base)	Investment	-	100.00%
RADIUM	Xin Xiu Ge Hotel Co., Ltd. Co., Ltd. (Xin-Xiu-Ge)	Hotel	100.00%	100.00%
RADIUM	Jing-Jan Investment Holdings Co., Ltd. (Jing-Jan Hldg)	Investment	61.06%	61.06%
RADIUM	Rih Siang Property Management Co., Ltd. (Rih-Siang)	Housing and Building Development and Rental	100.00%	100.00%
RADIUM	Rih Zuan Green Energy Technology Co., Ltd. (Rih-Zuan)	Energy Technical Services	90.00%	90.00%
RADIUM	LiJiang Business Consulting(Shanghai). (LiJiang)	Business and Corporate Management Consulting Services	100.00%	100.00%
RADIUM	Rih Ding Circular Economy Investment Holdings Co., Ltd. (Rih-Ding Hldg)	Investment	100.00%	100.00%
RADIUM	Wan Tong Digital Technology Co., Ltd. (Wan-Tong)	Retail	-	90.00%
RADIUM	Jing Ding Green Energy Technology Co., Ltd. (Jing-Ding)	Energy Technical Services	37.00%	37.00%
Titan	Jing-Jan Investment Holdings Co., Ltd. (Jing-Jan Hldg)	Investment	36.80%	36.80%
Ji-Shun	Ji Sheng Zih Chan Development Co., Ltd. (Ji-Sheng)	Housing and Building Development and Rental	100.00%	100.00%
Jing-Jan Hldg	Jing-Jan Retail Business Co., Ltd. (Jing-Jan)	Shopping mall business	75.00%	75.00%
Jing-Jan Hldg	Wan Da Tong Enterprise Co., Ltd. (Wan-Da-Tong)	Development of the T9 land in the dedicated area of the Taipei Main Station	71.65%	71.65%
Jing-Jan Retail	Jing-Jan Digital Square Co., Ltd. (Jing-Jan Digital)	Retail	100.00%	100.00%
Clever Base	Rih Ding Investments Limited (Rih Ding Investments)	Investment	-	100.00%
Far East	Prit Biotech Co., Ltd. (PRIT)	Biotechnology and cosmetic manufacturing	37.31%	37.31%
Rih-Ding Hldg	Rih Ding Water Enterprise Co., Ltd. (Rih-Ding Water)	Investment in and Construction and Operation of Public Works Construction	100.00%	100.00%
Rih-Ding Hldg	Ding Sheng Green Energy Technology Co., Ltd.(Ding-Sheng)	Energy Technical Services	100.00%	100.00%
Ding-Sheng	Jing Ding Green Energy Technology Co., Ltd. (Jing-Ding)	Energy Technical Services	33.00%	33.00%

Note: 1. The Group's shareholding in PRIT is 37.31%. Because the Group's directors account for more than half of PRIT's board members, and have the substantive ability to lead its relevant activities, it is classified as a subsidiary.

2. Rih-Ding Hldg was established on March 5, 2020, and approved by and registered with the Taipei City Government. Jing-Ding was established on September 18, 2020, and approved by and registered with the Central Region Office, Ministry of Economic Affairs.
3. Kai Chuang's deregistration was completed on April 8, 2020; Sharp China Investments's deregistration was completed on April 17, 2020; Rih Ding Investments's deregistration was completed on February 25, 2021; Wan Tong Digital registered for its dissolution on April 26, 2021 and obtained a letter of liquidation letter from the court on January 25, 2022; while Clever Base's deregistration was completed on June 8, 2021.
4. The Company's board of directors resolved to adjust the organizational structure on April 6, 2020. Rih-Ding Hldg issued new shares and obtained 100% of the Company's shares in Rih-Ding Water and Ding-Sheng through share swap arrangements, and the record date of share swap was May 8, 2020.

14. Other assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Long-term receivables (Note)	\$ 9,397,628	\$ 9,089,289
Others	<u>334,199</u>	<u>343,209</u>
	<u>\$ 9,731,827</u>	<u>\$ 9,432,498</u>
Current	\$ 241,802	\$ 238,493
Non-current	<u>9,490,025</u>	<u>9,194,005</u>
	<u>\$ 9,731,827</u>	<u>\$ 9,432,498</u>

Note: With respect to the BOT investment contract entered into between Rih-Ding Water and the government institution, in accordance with IFRS 12, the consideration received by the operator is recognized at fair value. Consideration may result in the recognition of a financial asset or an intangible asset. According to the Service Concession Arrangements, Rih-Ding Water expects to receive the consideration over the term of the agreement and selects the appropriate discount rate to calculate the present value of the consideration received. As of December 31, 2021 and 2020, Rih-Ding Water recognized receivables from the discounted value of the consideration received under the Service Concession Arrangements at each reporting date.

15. Investments accounted for using equity method

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Associates that are not individually material - Unlisted company Jing-Yang Apartment Building Management and Maintenance Co., Ltd.	<u>\$ 13,034</u>	<u>\$ 10,003</u>

The Group's ownership interest and percentage of voting rights in the associates at the end of the reporting period are as follows:

Company name	December 31, 2021	December 31, 2020
Jing-Yang Apartment Building Management and Maintenance Co., Ltd.	49%	49%

Aggregate information of associates that are not individually material:

	2021	2020
The Group's Share of:		
Profit from continuing operations	\$ <u>3,214</u>	\$ <u>3,562</u>
Total comprehensive income for the year	\$ <u>3,214</u>	\$ <u>3,562</u>

The share of profits and losses and other comprehensive income of the associates accounted for using the equity method in 2021 and 2020 were recognized based on the associates' financial statements that have been audited by CPAs for the same periods.

16. Joint operator

- (I) Some of the Titan's projects are under joint contracts, with a joint operation model adopted to jointly form an operating unit and set up accounting records independently. As of December 31, 2021, its joint contractors are as follows:

Fu-Jou JV project

Titan and New Asia Construction & Development Corp. (hereinafter referred to as New Asia) jointly took on the Company's Fu-Jou affordable housing project for the construction at a total contract price of \$19,937,495 thousand (before tax). The ratio of the project in the joint contract between both parties was 30% for Titan and 70% for New Asia, for which both parties signed an agreement accordingly.

- (II) The aggregate financial information on the joint operations recognized by the Group using the proportionate consolidation method is as follows:

	December 31, 2021	December 31, 2020
Current Assets	\$ <u>277,603</u>	\$ <u>282,465</u>
Current Liabilities	\$ <u>3,885</u>	\$ <u>23,744</u>
	2021	2020
Net income	\$ <u>14,996</u>	\$ <u>28,986</u>

17. Property, plant and equipment

(I) Assets used by the Group

	Land	Buildings	Transportation Equipment	Office Equipment	Other Equipment	Property under construction	Total
<u>Cost</u>							
Balance at January 1, 2021	\$ 3,336,819	\$ 8,098,173	\$ 9,775	\$ 303,209	\$ 321,364	\$ 14,597	\$12,083,937
Additions	-	13,649	-	9,215	13,076	-	35,940
Disposals	-	-	(561)	(1,791)	(4,007)	-	(6,359)
Transfers	-	14,597	-	-	-	(14,597)	-
Transfers from other assets	-	-	-	-	322	-	322
Transfers to operating expenses	-	-	-	-	(1,455)	-	(1,455)
Balance at December 31, 2021	<u>\$ 3,336,819</u>	<u>\$ 8,126,419</u>	<u>\$ 9,214</u>	<u>\$ 310,633</u>	<u>\$ 329,300</u>	<u>\$ -</u>	<u>\$12,112,385</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2021	\$ 19,927	\$ 2,347,537	\$ 8,952	\$ 239,315	\$ 188,080	\$ -	\$ 2,803,811
Depreciation expenses	-	249,995	430	17,839	14,917	-	283,181
Disposals	-	-	(561)	(1,737)	(3,968)	-	(6,266)
Balance at December 31, 2021	<u>\$ 19,927</u>	<u>\$ 2,597,532</u>	<u>\$ 8,821</u>	<u>\$ 255,417</u>	<u>\$ 199,029</u>	<u>\$ -</u>	<u>\$ 3,080,726</u>
Net at December 31, 2021	<u>\$ 3,316,892</u>	<u>\$ 5,528,887</u>	<u>\$ 393</u>	<u>\$ 55,216</u>	<u>\$ 130,271</u>	<u>\$ -</u>	<u>\$ 9,031,659</u>
<u>Cost</u>							
Balance at January 1, 2020	\$ 3,285,878	\$ 7,862,127	\$ 11,038	\$ 294,746	\$ 290,694	\$ 69,003	\$11,813,486
Additions	-	172,013	383	26,424	18,363	1,128	218,311
Disposals	-	(2,787)	(1,646)	(19,358)	(1,242)	-	(25,033)
Effects of foreign currency exchange differences	-	-	-	(2)	-	-	(2)
Transfers	-	39,329	-	979	15,226	(55,534)	-
Transfers from investment properties	50,941	27,491	-	-	-	-	78,432
Transfers from prepayments for equipment	-	-	-	420	-	-	420
Transfers to operating expenses	-	-	-	-	(1,677)	-	(1,677)
Balance at December 31, 2020	<u>\$ 3,336,819</u>	<u>\$ 8,098,173</u>	<u>\$ 9,775</u>	<u>\$ 303,209</u>	<u>\$ 321,364</u>	<u>\$ 14,597</u>	<u>\$12,083,937</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2020	\$ 19,927	\$ 2,084,757	\$ 10,163	\$ 230,540	\$ 177,657	\$ -	\$ 2,523,044
Depreciation expenses	-	258,810	435	23,764	11,651	-	294,660
Disposals	-	(784)	(1,646)	(14,987)	(1,228)	-	(18,645)
Transfers from investment properties	-	4,754	-	-	-	-	4,754
Effects of foreign currency exchange differences	-	-	-	(2)	-	-	(2)
Balance at December 31, 2020	<u>\$ 19,927</u>	<u>\$ 2,347,537</u>	<u>\$ 8,952</u>	<u>\$ 239,315</u>	<u>\$ 188,080</u>	<u>\$ -</u>	<u>\$ 2,803,811</u>
Carrying amount at December 31, 2020	<u>\$ 3,316,892</u>	<u>\$ 5,750,636</u>	<u>\$ 823</u>	<u>\$ 63,894</u>	<u>\$ 133,284</u>	<u>\$ 14,597</u>	<u>\$ 9,280,126</u>

The Group's property, plant and equipment are depreciated on a straight-line basis based on the number of useful lives below:

	<u>Assets used by the company</u>	<u>Assets leased under operating leases</u>
Buildings	3-50 years	-
Transportation Equipment	2-5 years	-
Office Equipment	1-16 years	-
Machinery and Equipment	-	20 years
Other Equipment	1-15 years	-

(II) Assets leased under operating leases

	<u>Machinery and Equipment</u>
<u>Cost</u>	
Balance at January 1, 2021	<u>\$ 120,618</u>
Balance at December 31, 2021	<u>\$ 120,618</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2021	\$ 17,590
Depreciation expenses	<u>6,031</u>
Balance at December 31, 2021	<u>\$ 23,621</u>
Carrying amounts at December 31, 2021	<u>\$ 96,997</u>
<u>Cost</u>	
Balance at January 1, 2020	<u>\$ 120,618</u>
Balance at December 31, 2020	<u>\$ 120,618</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2020	\$ 11,559
Depreciation expenses	<u>6,031</u>
Balance at December 31, 2020	<u>\$ 17,590</u>
Carrying amount at December 31, 2020	<u>\$ 103,028</u>

The Group leases out machinery and equipment under operating leases for a lease term of 20 years. At the end of the lease term, the lessee has no preferential right to purchase the asset.

- (III) As of December 31, 2021 and 2020, the accumulated impairment of the property, plant and equipment, through the assessment of their recoverable amounts based on their net fair values was both \$53,366 thousand. The Group determines the recoverable amount of property, plant and equipment based on the fair value less disposal costs. The relevant fair value is determined under the comparative method. The main assumptions include the estimated selling price, which belongs to the Level 2 fair value measurement.

- (IV) The major components of the Group's buildings mainly include the above-ground structures and interior and exterior decoration, etc., and are depreciated according to their useful lives of 3–50 years.
- (V) For the amount of property, plant and equipment pledged by the Group, please refer to Note 33.
- (VI) As of December 31, 2021 and 2020, the Group's buildings and land were held in trust in order to obtain financing from financial institutions. For the trust registration of the T9 project and Youth Social Housing projects, please refer to Note 12. The trust for Buildings and land in the fourth section of Zhongxiao East Road was granted to King's Town Bank for a period from July 27, 2009 to July 31, 2024. As the financing loan was repaid in advance, the trust was terminated on June 3, 2021.

For the above-mentioned trust contract, the Group entrusts the trustees to execute fund control, property right management, financing loan repayment, and necessary expenses and expenditures incurred by the trust relationship.

18. Lease agreement

(I) Right-of-use Assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount		
Land	\$ 861,378	\$ 887,203
Buildings	32,063	40,667
Machinery and Equipment	702	126
Office Equipment	765	1,165
Transportation Equipment	9,225	10,599
Other assets	<u>1,240</u>	<u>832</u>
	<u>\$ 905,373</u>	<u>\$ 940,592</u>
	<u>2021</u>	<u>2020</u>
Additions to right-of-use assets	<u>\$ 8,081</u>	<u>\$ 9,815</u>
Depreciation charge for right-of-use assets		
Land	\$ 25,678	\$ 25,886
Buildings	8,604	8,696
Machinery and Equipment	243	360
Office Equipment	400	400
Transportation Equipment	6,866	5,410
Other assets	<u>376</u>	<u>403</u>
	<u>\$ 42,167</u>	<u>\$ 41,155</u>

The superficies and buildings leased by the Group are subleased to others in the form of operating leases. The relevant right-of-use assets are listed as investment property. Please refer to Note 19 for details. The above-mentioned amount of right-

of-use assets does not include right-of-use assets that meet the definition of investment property.

(II) Lease liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount		
Current	<u>\$ 195,131</u>	<u>\$ 198,659</u>
Non-current	<u>\$ 2,018,520</u>	<u>\$ 2,191,691</u>

Range of discount rate for lease liabilities is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Land	2.500%-2.970%	2.490%-2.970%
Buildings	2.150%-3.000%	1.500%-3.000%
Machinery and Equipment	1.750%	2.321%-4.826%
Office Equipment	2.622%-3.000%	2.622%-3.000%
Transportation Equipment	1.500%-3.030%	1.500%-3.080%
Other assets	1.480%	1.500%-2.622%

(III) Material lease-in activities and terms

The Group has leased certain equipment over lease terms of 2 to 6 years. These lease agreements do not contain terms for lease renewal or right of first refusal.

The Group has also leased certain land and buildings for factories, offices, and shopping malls, with the lease terms ranging from 2 to 64 years. For the lease of the land located in R.O.C., it is agreed to adjust the lease payment according to the assessed land value every year. The Group does not have preferential right to acquire the land and buildings leased at the end of the lease term.

The Group did not have significant new lease contracts for the years ended December 31, 2021 and 2020. In 2021 and 2020, due to the COVID-19 pandemic that severely affected the market economy, government agencies, including the National Property Administration, Ministry of Finance, the Taipei City Public Transportation Office, the Urban and Rural Development Bureau, New Taipei City, and the Taipei City Police Department provided rent relief programs. The above-mentioned lessors agreed to unconditionally reduce the amount of rents or postpone the collection of the rents.

(IV) Sublease

The Group's sublease transactions have been detailed in Notes 11 and 19.

(V) Other lease information

	<u>2021</u>	<u>2020</u>
Expenses relating to short-term lease	<u>\$ 10,879</u>	<u>\$ 10,599</u>
Total cash outflow of leases	<u>(\$ 224,660)</u>	<u>(\$ 239,560)</u>

The Group has leased certain office equipment which qualifies for short-term leases and certain equipment which qualifies for low-value asset leases. The Group has elected to apply the recognition exemption for said equipment and, thus, did not recognize the right-of-use assets and lease liabilities of said leases.

19. Investment properties

	<u>Completed Investment Properties</u>	<u>Right-of-use Assets</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 15,220,418	\$ 2,579,101	\$ 17,799,519
Additions	247,342	-	247,342
Disposals	-	(15,831)	(15,831)
Transfers to finance lease receivables	-	(81,082)	(81,082)
Transfers to right-of-use assets	-	152	152
Transfers to inventories	(274,139)	-	(274,139)
Balance at December 31, 2021	<u>\$ 15,193,621</u>	<u>\$ 2,482,340</u>	<u>\$ 17,675,961</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 2,417,097	\$ 233,663	\$ 2,650,760
Depreciation expenses	462,186	110,463	572,649
Disposals	-	(14,467)	(14,467)
Reversal of impairment losses	(27,154)	-	(27,154)
Transfers to finance lease receivables	-	(49,619)	(49,619)
Transfers to right-of-use assets	-	5	5
Transfers to inventories	(291)	-	(291)
Balance at December 31, 2021	<u>\$ 2,851,838</u>	<u>\$ 280,045</u>	<u>\$ 3,131,883</u>
Net at December 31, 2021	<u>\$ 12,341,783</u>	<u>\$ 2,202,295</u>	<u>\$ 14,544,078</u>
<u>Cost</u>			
Balance at January 1, 2020	\$ 15,251,993	\$ 2,700,484	\$ 17,952,477
Remeasurement of IFRS	-	122	122
Disposals	-	(21,942)	(21,942)
Transfers to finance lease receivables	-	(100,478)	(100,478)
Transfers from buildings and land held for sale	46,857	-	46,857
Transfers to right-of-use assets	-	915	915
Transfers from property, plant and equipment	(78,432)	-	(78,432)
Balance at December 31, 2020	<u>\$ 15,220,418</u>	<u>\$ 2,579,101</u>	<u>\$ 17,799,519</u>

(Continued)

	Completed Investment Properties	Right-of-use Assets	Total
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 1,943,442	\$ 151,600	\$ 2,095,042
Depreciation expenses	461,194	135,274	596,468
Disposals	-	(20,450)	(20,450)
Reversal of impairment losses	(5,700)	-	(5,700)
Transfers to finance lease receivables	-	(32,784)	(32,784)
Transfers from buildings and land held for sale	22,915	-	22,915
Transfers to right-of-use assets	-	23	23
Transfers from property, plant and equipment	(4,754)	-	(4,754)
Balance at December 31, 2020	<u>\$ 2,417,097</u>	<u>\$ 233,663</u>	<u>\$ 2,650,760</u>
Carrying amount at December 31, 2020	<u>\$ 12,803,321</u>	<u>\$ 2,345,438</u>	<u>\$ 15,148,759</u>

- (I) For the right-of-use asset in the investment properties, it is the superficies and buildings subleased by the Group to others in the form of operating leases.
- (II) The fair value of the Group's completed investment property as of December 31, 2021 and 2020, was \$24,588,043 thousand and \$24,005,783 thousand, respectively. The fair value is based on the appraisals conducted by independent appraisers Wei-Hsin Chin, Liang-An Chi, Shih-Ming Wang, and Wen-Che Tsai, who are not related parties, at the dates. Said appraisals were conducted using the comparative method, the income approach, and the land development analysis method.
- (III) The Group's investment properties (major components mainly include structures and decoration work) is depreciated using the straight-line method based on the useful lives of 3–50 years.
- (IV) For the amount of investment properties pledged by the Group, please refer to Note 33.
- (V) Based on the results of the appraisal report in 2021 and 2020, the Group estimated the recoverable amount of finished investment properties, and recognized \$27,154 thousand and \$5,700 thousand for gains on reversal in 2021 and 2020, respectively, under other gains and losses. As of December 31, 2021 and 2020, the accumulated impairment of the investment properties, through the assessment of their recoverable amounts based on their net fair values was \$212,334 thousand and \$239,488 thousand, respectively. The Group determines the recoverable amount of the finished

investment properties based on the fair value less disposal costs. The relevant fair value is determined under the comparative method. The main assumptions include the estimated selling price, which belongs to the Level 2 fair value measurement.

- (VI) On December 31, 2021 and 2020, the Group's investment properties and the rent claims of investment properties were held in trust in order to obtain financing from financial institutions. Please refer to Note 17 for the trust registration of the buildings and land in the fourth section of Zhongxiao East Road, and Note 12 for the trust registration status of the T9, and the Youth Social Housing projects.
- (VII) The lease terms for the lease out of investment properties range from 0.1 to 20 years. When the lessee exercises the right to renew a lease, it is agreed that the rent will be adjusted according to the market level. At the end of the lease term, the lessee has no preferential right to purchase the investment properties. In addition to fixed lease payments, the lease contract also stipulates that the lessee shall pay variable lease payments based on a specific percentage of its revenue.
- (VIII) The total amount of lease payments that will be received in the future for leasing out investment properties under operating leases is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Year 1	\$ 600,778	\$ 669,893
Year 2	425,199	570,455
Year 3	306,170	456,457
Year 4	300,773	407,786
Year 5	299,839	402,855
Year 6 onwards	<u>1,170,985</u>	<u>1,912,805</u>
	<u>\$ 3,103,744</u>	<u>\$ 4,420,251</u>

20. Intangible assets

	<u>Concessions</u>	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
<u>Cost</u>				
Balance at January 1, 2021	\$ 4,209,192	\$ 39,284	\$ 5,928	\$ 4,254,404
Additions	-	19,705	-	19,705
Disposals	-	(2,876)	(205)	(3,081)
Reclassified	<u>337,603</u>	<u>-</u>	<u>-</u>	<u>337,603</u>
Balance at December 31, 2021	<u>\$ 4,546,795</u>	<u>\$ 56,113</u>	<u>\$ 5,723</u>	<u>\$ 4,608,631</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2021	\$ 809,185	\$ 10,319	\$ 1,713	\$ 821,217
Disposals	-	(2,114)	(205)	(2,319)
Amortization expenses	<u>120,055</u>	<u>13,079</u>	<u>429</u>	<u>133,563</u>
Balance at December 31, 2021	<u>\$ 929,240</u>	<u>\$ 21,284</u>	<u>\$ 1,937</u>	<u>\$ 952,461</u>
Carrying amounts at December 31, 2021	<u>\$ 3,617,555</u>	<u>\$ 34,829</u>	<u>\$ 3,786</u>	<u>\$ 3,656,170</u>
<u>Cost</u>				
Balance at January 1, 2020	\$ 3,901,907	\$ 105,616	\$ 24,804	\$ 4,032,327
Additions	-	22,379	16	22,395
Disposals	-	(88,711)	(25,047)	(113,758)
Reclassified	<u>307,285</u>	<u>-</u>	<u>6,155</u>	<u>313,440</u>
Balance at December 31, 2020	<u>\$ 4,209,192</u>	<u>\$ 39,284</u>	<u>\$ 5,928</u>	<u>\$ 4,254,404</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2020	\$ 699,603	\$ 89,909	\$ 24,703	\$ 814,215
Disposals	-	(88,711)	(25,047)	(113,758)
Amortization expenses	109,582	9,121	692	119,395
Reclassified	<u>-</u>	<u>-</u>	<u>1,365</u>	<u>1,365</u>
Balance at December 31, 2020	<u>\$ 809,185</u>	<u>\$ 10,319</u>	<u>\$ 1,713</u>	<u>\$ 821,217</u>
Carrying amount at December 31, 2020	<u>\$ 3,400,007</u>	<u>\$ 28,965</u>	<u>\$ 4,215</u>	<u>\$ 3,433,187</u>

The above-mentioned intangible assets with finite useful lives are amortized on a straight-line basis based on the following useful lives:

Concessions	10-44 years
Computer software	1-10 years
Others	3-20 years

For the amount of intangible assets pledged by the Group to secure borrowings, please refer to Note 33.

21. Goodwill

The Company acquired 100% of the equity of Xin-Xiu-Ge in July 2011, and recognized the difference between the purchase price and the net assets obtained in goodwill. The balance on December 31, 2021 and 2020 was both \$36,288 thousand.

22. Borrowings

(I) Short-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Secured borrowings</u>		
Bank loans	\$ 2,804,447	\$ 3,581,168
<u>Unsecured borrowings</u>		
Bank loans	<u>922,430</u>	<u>753,614</u>
	<u>\$ 3,726,877</u>	<u>\$ 4,334,782</u>

The interest rate range of short-term borrowings as of December 31, 2021 and 2020 was 1.55%-3.11% and 1.23%-3.07%, respectively. Please refer to Note 33 for the collateral pledged for the above-mentioned borrowings.

(II) Short-term bills payable

<u>Guarantee or acceptance institutions</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Taiwan Cooperative Bills Finance Corporation	\$ 736,100	\$ 200,000
Entie Bank	620,300	-
International Bills Finance Corporation	309,000	-
Dah Chung Bills Finance Corp.	60,000	60,000
Taiwan Finance Corporation	60,000	-
Less: Discount on short-term bills payable	(<u>1,804</u>)	(<u>676</u>)
	<u>\$ 1,783,596</u>	<u>\$ 259,324</u>

The interest rate range of short-term bills payable as of December 31, 2021 and 2020 was 0.37%-1.90% and 1.36%-2.10%, respectively. Please refer to Note 33 for the collateral pledged for the above-mentioned short-term bills payable.

(III) Long-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Secured borrowings</u>		
Syndicated loan project I led by Mega International Commercial Bank	\$ 5,750,110	\$ 5,299,290
Syndicated loan project led by Bank of Taiwan	2,155,000	2,425,000
Syndicated loan project II led by Mega International Commercial Bank	1,776,000	1,872,000
Syndicated loan project led by Taiwan Cooperative Bank	94,010	429,010
Syndicated loan project led by CTBC Bank	-	656,466
Other borrowings from banks	14,028,027	14,860,555
<u>Unsecured borrowings</u>		
Other borrowings from banks	312,255	328,211
Deduction in long-term borrowings –arrangement fee	(50,260)	(58,416)
Less: Current portion of long- term borrowings and bonds payable	(7,264,740)	(2,207,624)
Add: Deduction in long-term borrowings due within one operating cycle - arrangement fee	<u>9,566</u>	<u>10,637</u>
Long-term borrowings	<u>\$ 16,809,968</u>	<u>\$ 23,615,129</u>

The interest rate range of long-term borrowings as of December 31, 2021 and 2020 was 1.438%-3.414% and 1.508%-3.414%, respectively.

The syndicated loan project I led by Mega International Commercial Bank includes 12 banks. Rih-Ding Water promises that its debt ratio shall not exceed 160% from 2021 to 2025 and 130% from 2026 to 2031, and the solvency ratio shall not be less than 120% from 2021 to 2025 and 100% in 2026 and 120% from 2027 to 2031 at the end of each year during the credit period.

The syndicated loan project led by Bank of Taiwan includes five banks.

The syndicated loan project II led by Mega International Commercial Bank includes seven banks. Rih-Siang promises that its current ratio shall not be lower than 100% and debt ratio shall not be higher than 250% during the credit period. In order to reduce the pressure of amortization and repayment of principal, Rih-Siang, still with financing needs, a syndicated loan with the borrowing facility of

\$1,982,350 thousand was reorganized in December 2019 with the loan period from January 15, 2020 to January 15, 2027, a total of 7 years. After the first installment of the principal was repaid on July 15, 2020, the principal is amortized and repaid in 7 years, thereafter with 6 months as a payment term.

The syndicated loan project led by Taiwan Cooperative Bank is taken out by Wan-Da-Tong and the group of banks in the syndicated loan involved in the T9 project and includes 15 banks. Wan-Da-Tong promises that the proportion of shareholders' equity in total assets shall not be less than 30% during the credit period, and the interest coverage ratio shall not be less than 300% in each fiscal year starting from 2011.

Syndicated loan project led by CTBC Bank includes 4 banks such as CTBC. The loan was repaid in advance on October 27, 2021.

Please refer to Note 33 for the collateral pledged for the above-mentioned borrowings.

23. Bonds payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Secured domestic bonds	\$ 6,000,000	\$ 5,500,000
Less: Current portion of bonds payable	(1,500,000)	-
Bonds payable	<u>\$ 4,500,000</u>	<u>\$ 5,500,000</u>

- (I) The Group issued the first domestic secured ordinary bonds on September 14, 2017. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 1.02% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (September 14, 2017 to September 14, 2022).
 5. Guarantee method: Taiwan Cooperative Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (II) The Group issued the second domestic secured ordinary bonds on November 23, 2017. The main conditions for the issue are as follows:
1. Total amount of issue: \$500,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.

3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 1.02% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (November 23, 2017 to November 23, 2022).
 5. Guarantee method: Taiwan Business Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (III) The Group issued the first domestic secured ordinary bonds on July 1, 2019. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.80% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (July 1, 2019 to July 1, 2024).
 5. Guarantee method: Taiwan Cooperative Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (IV) The Group issued the first domestic secured ordinary bonds on June 1, 2020. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.68% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (June 1, 2020 to June 1, 2025).
 5. Guarantee method: First Commercial Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (V) The Group issued the second domestic secured ordinary bonds on July 1, 2020. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.65% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (July 1, 2020 to July 1, 2025).

5. Guarantee method: First Commercial Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (VI) The Group issued the third domestic secured ordinary bonds on December 29, 2020. The main conditions for the issue are as follows:
1. Total amount of issue: \$1,000,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.55% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (December 29, 2020 to December 29, 2025).
 5. Guarantee method: Taiwan Business Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.
- (VII) The Group issued the first domestic secured ordinary bonds on August 2, 2021. The main conditions for the issue are as follows:
1. Total amount of issue: \$500,000 thousand.
 2. Price: The bonds are issued in full by face value, each with a face value of \$1,000 thousand.
 3. Coupon interest rate and method of repayment of principal and interest: Annual interest rate is 0.61% with repayment of principal in a lump sum upon maturity.
 4. Duration: 5 years (August 2, 2021 to August 2, 2026).
 5. Guarantee method: Taiwan Business Bank is entrusted to guarantee the bonds in accordance with the guarantee contract.

Please refer to Note 33 for the collateral pledged for the above-mentioned corporate bonds.

24. Provisions

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Non-current</u>		
Warranties (I)	\$ 255,642	\$ 257,370
Contractual obligation to restore service concession (II)	<u>53,258</u>	<u>52,586</u>
	<u>\$ 308,900</u>	<u>\$ 309,956</u>

- (I) The provisions for warranty is the present value of the best estimate of the future outflow of economic benefits caused by the warranty obligation made by the management of the Group according to the sales contract. This estimate is based on

historical warranty experience, and is adjusted in consideration of new materials, process changes, or other factors that affect product quality.

- (II) The contractual obligation to restore service concession arising from the contractual obligation for the maintenance or restoration of the infrastructure before it is returned to the grantor and for the various types of payments collected by the government in accordance with the law, which are is specifically stated in the service concession arrangement, is the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

25. Maturity analysis of assets and liabilities

The assets and liabilities related to the Group's construction business is classified as current or non-current according to the operating cycle. The relevant amounts recognized are based on the amounts expected to be recovered or repaid within one year and more than one year after the end of the reporting period, which are listed below:

	December 31, 2021		Total
	Within 1 year	More than 1 year	
Assets			
Financial assets at			
amortized cost -current	\$ 245,116	\$ 400	\$ 245,516
Notes receivable and trade			
receivables	\$ 73,171	\$ -	\$ 73,171
Contract assets - current	\$ 87,704	\$ -	\$ 87,704
Buildings and land held for			
sale	\$ 5,311,059	\$ -	\$ 5,311,059
Property under			
development	\$ -	\$ 1,346,387	\$ 1,346,387
Property to be developed	\$ -	\$ 1,349,159	\$ 1,349,159
Prepayment for land			
purchases	\$ -	\$ 17,550	\$ 17,550
Refundable deposits -			
current	\$ 266,931	\$ -	\$ 266,931
Other current assets	\$ 100	\$ -	\$ 100
Incremental costs of			
obtaining a contracts -			
current	\$ 8,711	\$ 31,598	\$ 40,309
Liabilities			
Short-term borrowings	\$ 2,044,114	\$ 72,800	\$ 2,116,914
Short-term bills payable	\$ 359,058	\$ -	\$ 359,058
Contract liabilities -			
current	\$ 187,716	\$ 166,172	\$ 353,888
Current portion of long-			
term borrowings	\$ 27,000	\$ 494,394	\$ 521,394
Guarantee deposits			
received (shown as			
other current liabilities)	\$ 107,739	\$ 15,456	\$ 123,195
Construction warranty			
reserve (shown as other			
current liabilities)	\$ 27,666	\$ 56,431	\$ 84,097

	December 31, 2020		
	Within 1 year	More than 1 year	Total
Assets			
Financial assets at amortized cost -current	\$ 71,306	\$ 400	\$ 71,706
Notes receivable and trade receivables	\$ 32,540	\$ -	\$ 32,540
Contract assets - current	\$ 353	\$ 57,993	\$ 58,346
Buildings and land held for sale	\$ 6,103,284	\$ -	\$ 6,103,284
Property under development	\$ 845,318	\$ 856,562	\$ 1,701,880
Property to be developed	\$ -	\$ 724,831	\$ 724,831
Prepayment for land purchases	\$ -	\$ 28,854	\$ 28,854
Refundable deposits - current	\$ 245,734	\$ -	\$ 245,734
Other current assets	\$ 160	\$ -	\$ 160
Incremental costs of obtaining a contract - current	\$ 47,022	\$ -	\$ 47,022
Liabilities			
Short-term borrowings	\$ 1,733,768	\$ 42,000	\$ 1,775,768
Short-term bills payable	\$ 199,448	\$ -	\$ 199,448
Contract liabilities - current	\$ 216,162	\$ 6,800	\$ 222,962
Current portion of long- term borrowings	\$ 589,510	\$ -	\$ 589,510
Guarantee deposits received (shown as other current liabilities)	\$ 106,038	\$ 10,713	\$ 116,751
Construction warranty reserve (shown as other current liabilities)	\$ 24,293	\$ 58,600	\$ 82,893

26. Retirement benefit plans

(I) Defined contribution plans

The Group has adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts of the Bureau of Labor Insurance at 6% of monthly salaries and wages.

(II) Defined benefit plans

The pension system adopted by RADIUM and Titan in the Group in accordance with the Labor Standards Act of R.O.C. is a state-managed defined benefit pension plan. The payment for employee pensions is calculated based on the length of service and the average salary in the 6 months prior to the approved retirement date. Such companies contribute pensions at 2% of the total monthly employee salaries, which are deposited by the Pension Fund Monitoring Committee in the pension account

with the Bank of Taiwan in the name of the committee. Before the end of each year, if the balance in the pension account assessed is inadequate to pay for the retirement benefits for employees who meet the retirement requirements in the following year, the Company will contribute an amount to make up for the difference in a lump sum by the end of March of the following year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor; the Group has no right to influence the investment management strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	\$ 30,755	\$ 31,658
Fair value of plan asset	(17,089)	(16,146)
Insufficiency in contribution	<u>13,666</u>	<u>15,512</u>
Net defined benefit liabilities	<u>\$ 13,666</u>	<u>\$ 15,512</u>

Changes in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan asset</u>	<u>Net defined benefit Liabilities</u>
January 1, 2020	\$ 30,827	(\$ 15,057)	\$ 15,770
Service cost			
Current service cost	65	-	65
Net interest expense (income)	<u>201</u>	(99)	<u>102</u>
Recognized in profit or loss	<u>266</u>	(99)	<u>167</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(503)	(503)
Actuarial loss - changes in demographic assumptions	14	-	14
Actuarial loss - changes in financial assumptions	963	-	963
Actuarial gain - experience adjustments	(412)	-	(412)
Recognized in other comprehensive income	<u>565</u>	(503)	<u>62</u>
Contributions from the employer	<u>-</u>	(487)	(487)
December 31, 2020	31,658	(16,146)	15,512
Service cost			
Current service cost	66	-	66
Net interest expense (income)	<u>82</u>	(43)	<u>39</u>
Recognized in profit or loss	<u>148</u>	(43)	<u>105</u>

(Continued)

	Present value of the defined benefit obligation	Fair value of plan asset	Net defined benefit liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	(\$ 243)	(\$ 243)
Actuarial loss - changes in demographic assumptions	46	-	46
Actuarial loss - changes in financial assumptions	(735)	-	(735)
Actuarial gain - experience adjustments	(<u>362</u>)	<u>-</u>	(<u>362</u>)
Recognized in other comprehensive income	(<u>1,051</u>)	(<u>243</u>)	(<u>1,294</u>)
Contributions from the employer	<u>-</u>	(<u>657</u>)	(<u>657</u>)
December 31, 2021	<u>\$ 30,755</u>	(<u>\$ 17,089</u>)	<u>\$ 13,666</u>

Due to the pension plans under the Labor Standards Act, the Group is exposed to the following risks:

1. Investment risk: The Bureau invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits on its own use and through agencies entrusted. However, the income from the Group's amount allocated to plan assets is calculated based on the interest rate not lower than the local bank's interest rate for 2-year time deposits.
2. Interest risk: A decrease in the interest rate in the government bonds/corporate bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment through the plan assets will also increase, and the increases will partially offset the effect of the net defined benefit liability.
3. Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of the participants in the plan. As such, an increase in the salary of the participants in the plan will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The critical assumptions made on the measurement date are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate	0.50%-0.65%	0.18%-0.30%
Expected rate of salary increase	2.00%	2.00%
Employee turnover rate	0.41%-0.59%	0.54%-0.84%

If each of the critical actuarial assumptions is subject to reasonably possible changes, when all other assumptions remain unchanged, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate		
0.25% increase	(\$ <u>525</u>)	(\$ <u>600</u>)
0.25% decrease	<u>\$ 540</u>	<u>\$ 618</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 531</u>	<u>\$ 606</u>
0.25% decrease	(\$ <u>519</u>)	(\$ <u>591</u>)
Turnover rate		
110% increase	<u>\$ -</u>	<u>\$ -</u>
90% decrease	<u>\$ -</u>	<u>\$ -</u>

As actuarial assumptions may be correlated, it is unlikely that only a single assumption would occur in isolation of one another, so the sensitivity analysis above may not reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
The expected contributions to the plan for the following year	<u>\$ 528</u>	<u>\$ 585</u>
The weighted average duration of the defined benefit obligation	6 years	6.5 years

27. Equity

(I) Share capital

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Authorized shares (in thousands)	<u>950,000</u>	<u>950,000</u>
Authorized capital	<u>\$ 9,500,000</u>	<u>\$ 9,500,000</u>
Issued and paid shares (in thousands)	<u>900,095</u>	<u>900,095</u>
Issued capital	<u>\$ 9,000,946</u>	<u>\$ 9,000,946</u>

The ordinary shares issued, with a par value of \$10 per share, are entitled to one voting right per share and to the right to receive dividends.

The Company's board of directors passed the resolution on March 20, 2020 to repurchase 20,000 thousand treasury shares. Upon expiration, the actual number of shares repurchased was 12,213 thousand treasury shares. The cancellation and change registration for the capital reduction was conducted in accordance with the law, with July 8, 2020 set as the record date for capital reduction.

The board of directors passed the resolution on December 24, 2021 to purchase 20,000 thousand treasury shares. The cancellation and change registration for the capital reduction was conducted in accordance with the law, with March 9, 2022 set as the record date for capital reduction.

(II) Capital Surplus

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Additional paid in capital	\$ 1,223,774	\$ 1,223,774
Difference between consideration and carrying amount of subsidiaries acquired or disposed	59,494	59,494
Retirement of treasury share	<u>24,575</u>	<u>24,575</u>
	<u>\$ 1,307,843</u>	<u>\$ 1,307,843</u>

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus). If there is no cash inflow from the capital surplus, it can only be used to offset the deficit.

(III) Retained earnings and dividends policy

In accordance with the Company's Articles of Incorporation regarding earnings allocation, when there are earnings in the Company's annual final accounts, the earnings shall be allocated in the following order:

1. Pay taxes.
2. Offset the deficits from prior years.
3. Set aside 10% of the balance for legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply.
4. Set aside or reverse the special reserve when necessary in accordance with the law.

5. With any remaining balance after deducting the amounts in 1. – 4., together with the accumulated earnings from prior years, the board of directors shall consider the Company's financial position and draft a proposal for distributing dividends to shareholders. The proposal will be submitted it to the shareholders' meeting for a resolution.

For information on the distribution of the employee compensation and remuneration of directors, please refer to Note 29 regarding employee compensation and remuneration of directors.

The life cycle of the Company's industry is at a developed and stable stage. After considering the Company's earnings, future capital needs, and development plans, the Company's dividends will be distributed in both stocks and cash. Of them, the cash dividends distributed shall not be less than 20% of the total dividends distributed for the year. However, if the cash dividends are less than \$0.1 (inclusive) per share, the dividends may be fully distributed in stock.

The shareholders' meeting held on July 29, 2021 resolved and passed the amendment to the Articles of Incorporation specifying that - when a special reserve is appropriated from the net deduction in other equity accumulated in the previous period, where the undistributed earnings of the previous period are insufficient, the undistributed earnings will be included in the undistributed earnings of the current period from net income plus items other than net income after tax of the current period. Prior to the amendment of the Articles of Incorporation, the Company carried out appropriation of earnings from distributed earnings of the previous period in accordance with the law.

Appropriation of earnings to legal reserve shall be made until the reserve equals the Company's paid-in capital. Legal reserves may be used to offset the deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to share capital or distributed in cash. The earnings distribution proposals for 2020 and 2019 approved in the shareholders' meetings on July 29, 2021 and May 18, 2020, respectively, are as follows:

	<u>2020</u>	<u>2019</u>
Legal Reserve	<u>\$ 62,263</u>	<u>\$ 40,673</u>
Special Reserves	<u>(\$ 1,945)</u>	<u>(\$ 1,026)</u>
Cash dividends	<u>\$ 558,058</u>	<u>\$ 547,385</u>
Cash dividends per share(NT\$)	\$ 0.62	\$ 0.6

The 2021 earnings distribution proposal put forth by the Company's board of directors on March 29, 2022 is as follows:

	<u>2021</u>
Legal Reserve	<u>\$ 6,164</u>
Special Reserves	<u>\$ 156</u>
Cash dividends	<u>\$ 176,019</u>
Cash dividends per share (NT\$)	\$ 0.2

The 2021 earnings distribution proposal has yet to be resolved by the shareholders' meeting scheduled to be held on May 27, 2022.

(IV) Treasury shares

<u>Purpose of Buy-back</u>	<u>Shares Cancelled (in thousands of shares)</u>
Number of shares at January 1, 2021	-
Increase during the year	<u>3,649</u>
Number of shares at December 31, 2021	<u><u>3,649</u></u>
Number of shares at January 1, 2020	-
Increase during the year	12,213
Decrease during the year	(<u>12,213</u>)
Number of shares at December 31, 2020	<u><u>-</u></u>

Treasury shares hold by the Company may not be pledged in accordance with the Securities and Exchange Act, and are not entitled to dividends or voting rights.

28. Revenue

	<u>2021</u>	<u>2020</u>
Revenue from contracts with customers		
Construction contract revenue	\$ 3,771,591	\$ 4,029,003
Shopping mall revenue	738,143	992,187
Hotel service revenue	276,517	276,939
Other operating revenue	<u>704,877</u>	<u>730,464</u>
	<u>5,491,128</u>	<u>6,028,593</u>
Rental income		
Investment properties (Note 19)		
Variable lease payments that do not depend on an index or a rate	2,521	10,363
Other lease payments	672,650	618,241
Other operating lease (Note 17)		
Variable lease payments that do not depend on an index or a rate	84,932	106,561
Other lease payments	<u>7,866</u>	<u>8,574</u>
	<u>767,969</u>	<u>743,739</u>
	<u>\$ 6,259,097</u>	<u>\$ 6,772,332</u>

(I) Contract balance

	December 31, 2021	December 31, 2020	January 1, 2020
Trade receivables (Note 10)	<u>\$ 1,117,784</u>	<u>\$ 440,680</u>	<u>\$ 636,358</u>
Long-term receivables (Note 14)	<u>\$ 9,397,628</u>	<u>\$ 9,089,289</u>	<u>\$ 6,814,139</u>
Contract assets			
Construction of properties	<u>\$ 87,704</u>	<u>\$ 58,346</u>	<u>\$ 266,371</u>
Contract assets - current	<u>87,704</u>	<u>58,346</u>	<u>266,371</u>
Service concession	<u>639,572</u>	<u>964,115</u>	<u>1,350,377</u>
Contract assets - non-current	<u>639,572</u>	<u>964,115</u>	<u>1,350,377</u>
	<u>\$ 727,276</u>	<u>\$ 1,022,461</u>	<u>\$ 1,616,748</u>
Contract liabilities			
Construction of properties	\$ -	\$ -	\$ 17,544
Sale of properties	353,888	222,962	628,296
Sale of merchandise	202,102	177,013	150,098
Customer loyalty programs	<u>8,221</u>	<u>10,298</u>	<u>11,793</u>
Contract liabilities - current	<u>\$ 564,211</u>	<u>\$ 410,273</u>	<u>\$ 807,731</u>

The change in contract assets and liabilities is mainly due to the difference between the point of meeting the performance obligation and the time of payment by the customer.

The contract liabilities at the beginning of the year recognized as revenue for the current year is as follows:

	<u>2021</u>	<u>2020</u>
<u>Contract liabilities at the beginning of the year</u>		
Sale of properties	\$ 159,136	\$ 47,495
Sale of merchandise	81,636	75,408
Customer loyalty programs	<u>10,493</u>	<u>11,793</u>
	<u>\$ 251,265</u>	<u>\$ 134,696</u>

The credit risk management adopted by the Group for contract assets is the same as that for trade receivables, please refer to Note 10.

(II) Assets related to contract costs

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Incremental costs of obtaining a contracts	<u>\$ 40,309</u>	<u>\$ 47,022</u>

(III) Disaggregation of revenue

2021

<u>Type of merchandise or service</u>	Reportable segment				Total
	Construction	Shopping mall business	Sewage treatment	Others	
Construction revenue	\$ 2,740,527	\$ -	\$ 1,031,064	\$ -	\$ 3,771,591
Shopping mall revenue	-	738,143	-	-	738,143
Hotel service revenue	-	-	-	276,517	276,517
Others	-	286,198	283,841	134,838	704,877
	<u>\$ 2,740,527</u>	<u>\$ 1,024,341</u>	<u>\$ 1,314,905</u>	<u>\$ 411,355</u>	<u>\$ 5,491,128</u>

2020

<u>Type of merchandise or service</u>	Reportable segment				Total
	Construction	Shopping mall business	Sewage treatment	Others	
Construction revenue	\$ 2,084,479	\$ -	\$ 1,944,524	\$ -	\$ 4,029,003
Shopping mall revenue	-	992,187	-	-	992,187
Hotel service revenue	-	-	-	276,939	276,939
Others	27,968	271,552	264,767	166,177	730,464
	<u>\$ 2,112,447</u>	<u>\$ 1,263,739</u>	<u>\$ 2,209,291</u>	<u>\$ 443,116</u>	<u>\$ 6,028,593</u>

29. Net profit

(I) Interest income

	<u>2021</u>	<u>2020</u>
Bank deposits	\$ 2,964	\$ 3,959
Financial assets measured at amortized cost	103	1,677
Long-term receivables	612,481	500,216
Others	2,422	2,876
	<u>\$ 617,970</u>	<u>\$ 508,728</u>

(II) Other income

	<u>2021</u>	<u>2020</u>
Dividend income	\$ 1,185	\$ 588
Others	216,515	849,953
	<u>\$ 217,700</u>	<u>\$ 850,541</u>

(III) Other gains and losses

	<u>2021</u>	<u>2020</u>
Net foreign exchange losses	(\$ 3,883)	(\$ 196)
Gains on disposals of investments	12	-
Gains (losses) on disposals of property, plant and equipment	3	(2,163)
Losses on disposal of intangible assets	(762)	-
Net gains (losses) on financial assets at FVTPL	(674)	144
Reversal of impairment loss on non-financial assets	27,154	5,700
Losses on sublease of right-of-use assets	(27,034)	(47,099)
Lease modification loss	(8,574)	(1,146)
Other expenditures	<u>(2,188)</u>	<u>(3,686)</u>
	<u>(\$ 15,946)</u>	<u>(\$ 48,446)</u>

(IV) Finance costs

	<u>2021</u>	<u>2020</u>
Interest on bank loans	\$ 698,506	\$ 728,983
Interest on lease liabilities	59,931	64,381
Others	45,404	33,322
Less: Amounts included in the cost of qualifying assets	<u>(45,268)</u>	<u>(61,459)</u>
	<u>\$ 758,573</u>	<u>\$ 765,227</u>

Relevant information on capitalization of interest is as follows:

	<u>2021</u>	<u>2020</u>
Capitalized interest amount	\$ 45,268	\$ 61,459
Capitalization rate	0.63%-2.74%	0.72%-3.00%

(V) Depreciation and amortization

	<u>2021</u>	<u>2020</u>
An analysis of depreciation by function		
Operating costs	\$ 606,872	\$ 587,733
Operating expenses	<u>297,156</u>	<u>350,581</u>
	<u>\$ 904,028</u>	<u>\$ 938,314</u>
An analysis of amortization by function		
Operating costs	\$ 62,440	\$ 52,211
Operating expenses	<u>71,123</u>	<u>67,184</u>
	<u>\$ 133,563</u>	<u>\$ 119,395</u>

(VI) Employees' benefits expenses

	<u>2021</u>	<u>2020</u>
Post-employment benefits (Note 26)		
Defined contribution plans	\$ 28,301	\$ 28,915
Defined benefit plans	105	167
Other employee benefits	<u>707,066</u>	<u>751,222</u>
Total employee benefits expenses	<u>\$ 735,472</u>	<u>\$ 780,304</u>
 An analysis by function		
Operating costs	\$ 155,667	\$ 147,362
Operating expenses	<u>579,805</u>	<u>632,942</u>
	<u>\$ 735,472</u>	<u>\$ 780,304</u>

(VII) Employee compensation and remuneration of directors

If the Company records a profit in the year, it shall allocate no less than 0.5% of the balance for employee compensation, which shall be distributed in stock or cash as resolved by of the board of directors; the Company may allocate no more than 1% of said profit for the remuneration of directors as resolved by of the board of directors. The proposals for employee compensation and directors' remuneration shall be reported to the shareholders' meeting.

Where there is an accumulated loss, the profit shall be reserved to make up for the loss and the remuneration to employees and directors shall be provided in proportion in accordance with the aforementioned amount. The Company carries out the transfer of treasury shares to employees, employee stock options, employee remuneration, employee subscription of new shares, and restricted stock awards to employees of controlling or subordinate companies who meet certain conditions. These conditions are determined by the board of directors.

The 2021 estimated compensation and remuneration of employees and directors and 2020 compensation and remuneration of employees and directors resolved by the board of directors on March 26, 2021 are as follows:

	<u>2021</u>	<u>2020</u>
	<u>Cash</u>	<u>Cash</u>
Compensation of employees	\$ 1,000	\$ 7,200
Remuneration to directors	300	5,000

The actual amount of 2021 distribution of compensation and remuneration of employees and directors resolved by the board of directors on March 29, 2022 was \$1,300 thousand and \$600 thousand, which were different from the amounts recognized in the annual financial statements. As the differences were not significant, they were adjusted to profit or loss for 2022.

The actual amounts of distribution of compensation and remuneration to employees and directors for 2020 and 2019 resolved by the board of directors on March 26, 2021 and March 30, 2020 were not different from the amounts recognized in the consolidated financial reports for 2020 and 2019.

For the information on the Company's employee compensation and the remuneration of directors for 2021 and 2020 as resolved by the board resolutions, please visit the Market Observatory Post System (MOPS) of the Taiwan Stock Exchange.

30. Income tax

(I) Income tax recognized in profit or loss

Major components of income tax expenses are as follows:

	<u>2021</u>	<u>2020</u>
Tax currently payable		
In respect of the current year	\$ 111,665	\$ 132,513
Adjustments for prior year	(1,480)	(10,720)
Deferred tax		
In respect of the current year	<u>106,696</u>	<u>212,580</u>
Income tax expense recognized in profit or loss	<u>\$ 216,881</u>	<u>\$ 334,373</u>

The Group's reconciliation between the accounting income and the current income tax expense is as follows:

	<u>2021</u>	<u>2020</u>
Profit before income tax	<u>\$ 279,931</u>	<u>\$ 1,001,658</u>
Income tax expense calculated at the statutory rate (20%)	\$ 55,986	\$ 200,332
Nondeductible expense in determining taxable income	57,395	59,762
Tax- exempt income	(20,695)	(255,426)
Deductible temporary differences	10,914	160,227
Loss carryforwards that cannot be retained	107,111	6,787
Unrecognized loss carryforwards	33,052	151,859
Investment tax credits used in the current period	(69,595)	(951)

(Continued)

	<u>2021</u>	<u>2020</u>
Loss carryforwards used in the current period	246	-
Difference in basic tax payable	41,633	-
Income tax on unappropriated earnings	246	1,992
Land value increment tax	2,068	20,511
Adjustments for prior year's tax	(<u>1,480</u>)	(<u>10,720</u>)
Income tax expense recognized in profit or loss	<u>\$ 216,881</u>	<u>\$ 334,373</u>

(II) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2021

	<u>Opening balance</u>	<u>Recognized in profit or loss</u>	<u>Closing balance</u>
<u>Deferred tax assets</u>			
Deductible temporary differences			
Unrealized gross profit	\$ 28,691	(\$ 867)	\$ 27,824
Reserve for construction warranty	14,847	477	15,324
Others	32,590	(18,151)	14,439
Loss carryforwards	<u>166,360</u>	<u>(32,125)</u>	<u>134,235</u>
	<u>\$ 242,488</u>	<u>(\$ 50,666)</u>	<u>\$ 191,822</u>
<u>Deferred tax liabilities</u>			
Deductible temporary differences	<u>\$ 712,161</u>	<u>\$ 56,030</u>	<u>\$ 768,191</u>

2020

	<u>Opening balance</u>	<u>Recognized in profit or loss</u>	<u>Closing balance</u>
<u>Deferred tax assets</u>			
Deductible temporary differences			
Unrealized gross profit	\$ 29,570	(\$ 879)	\$ 28,691
Reserve for construction warranty	15,235	(388)	14,847
Others	40,374	(7,784)	32,590
Loss carryforwards	<u>154,957</u>	<u>11,403</u>	<u>166,360</u>
	<u>\$ 240,136</u>	<u>\$ 2,352</u>	<u>\$ 242,488</u>
<u>Deferred tax liabilities</u>			
Deductible temporary differences	<u>\$ 497,229</u>	<u>\$ 214,932</u>	<u>\$ 712,161</u>

(III) Deductible temporary differences, unused loss carryforwards, and unused investment tax credits for deferred tax assets not recognized in the consolidated balance sheet

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Loss carryforwards	<u>\$ 12,417,491</u>	<u>\$ 13,040,831</u>
Deductible temporary difference	<u>\$ 2,165,824</u>	<u>\$ 2,104,664</u>
Investment tax credits		
Major infrastructure projects	<u>\$ 487,312</u>	<u>\$ 541,961</u>

(IV) Information on unused investment tax credits, loss carryforwards, and tax exemptions

As of December 31, 2021, the relevant information on investment tax credits is as follows:

<u>Company name</u>	<u>Legal basis</u>	<u>Item</u>	<u>Balance before reduction</u>	<u>Final year for deduction</u>
RADIUM	The Regulations Governing Application of Investment Tax Credits to Private Institutions Participating in Public Infrastructure Projects	Investment in major infrastructure projects	<u>\$ 57,094</u>	2022
RADIUM	The Regulations Governing Application of Investment Tax Credits to Private Institutions Participating in Public Infrastructure Projects	Investment in major infrastructure projects	<u>\$ 80,000</u>	2023
Rih-Ding Water	The Regulations Governing Application of Investment Tax Credits to Private Institutions Participating in Public Infrastructure Projects	Major infrastructure projects	<u>\$ 6,514</u>	2022
Rih-Ding Water	The Regulations Governing Application of Investment Tax Credits to Private Institutions Participating in Public Infrastructure Projects	Major infrastructure projects	<u>\$ 144,527</u>	2023

(Continued)

Company name	Legal basis	Item	Balance before reduction	Final year for deduction
Rih-Ding Water	The Regulations Governing Application of Investment Tax Credits to Private Institutions Participating in Public Infrastructure Projects	Major infrastructure projects	<u>\$ 115,776</u>	2024
Rih-Ding Water	The Regulations Governing Application of Investment Tax Credits to Private Institutions Participating in Public Infrastructure Projects	Major infrastructure projects	<u>\$ 83,401</u>	2025

As of December 31, 2021, the relevant information on loss carryforwards is as follows:

Balance before deduction	Final year for deduction
\$ 598,611	2022
3,798,401	2023
188,211	2024
320,589	2025
524,324	2026
2,271,894	2027
4,551,500	2028
292,610	2029
338,340	2030
204,186	2031
<u>\$ 13,088,666</u>	

(V) Income tax approval

The profit-seeking enterprise income tax returns filed by the Company up to 2019 have been approved by the tax collection authority.

31. Earnings per share

	Unit: NT\$ per share	
	2021	2020
Basic earnings per share	<u>\$ 0.07</u>	<u>\$ 0.69</u>
Diluted earnings per share	<u>\$ 0.07</u>	<u>\$ 0.69</u>

The earnings and the weighted average number of ordinary shares used to calculate the earnings per share are as follows:

Net profit for the year

	<u>2021</u>	<u>2020</u>
Profit for the year attributable to owners of the Company	<u>\$ 60,343</u>	<u>\$ 622,688</u>

Number of shares

	Unit: In thousands of shares	
	<u>2021</u>	<u>2020</u>
Weighted average number of ordinary shares used in computation of basic earnings per share	900,064	903,349
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>243</u>	<u>739</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>900,307</u>	<u>904,088</u>

If the Company can settle the compensation to employees in cash or shares, the Company assumes the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share if the effect is dilutive. Such a dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

32. Related party transaction

Balances and transactions between RADIUM and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and other related parties are disclosed as follows.

(I) Related party name and relationship

<u>Related party name</u>	<u>Relationship with the Group</u>
Jing-Yang Apartment Building Management and Maintenance Co., Ltd.	Associate
Radium Foundation	Substantive related party
Rong Shian Lin	Substantive related party
Lin Long Huan	Substantive related party
Golden Century Co., Ltd.	Substantive related party
Ri-Jun Investment Co., Ltd.	Substantive related party
Jun-An Construction Development Co., Ltd.	Substantive related party

(Continued)

Related party name	Relationship with the Group
Changxin Investment Development Co., Ltd.	Substantive related party
Lee White Corporation	Substantive related party
Jing-Kang Development Investment Co., Ltd.	Substantive related party
Chic Stuff Incorporated	Substantive related party
Ding-Sheng Digital Life Co., Ltd.	Substantive related party
Jin-Hua-Tai Investment Co., Ltd.	Substantive related party
K. C. Chou	Substantive related party
Shen Tung Sheng	Substantive related party
Lin Chun Yu	Substantive related party
Jim Lee	Substantive related party
Shen Ching Peng	Substantive related party
Liu Yao Kai	Substantive related party
Liu Wen Chi	Substantive related party
An Ke Chieh	Substantive related party
An Ching I	Substantive related party

(II) Transactions with other related parties

1. Contract liabilities

As of December 31, 2021 and 2020, the total contract price (including tax) of the property sold by the Group to the substantive related parties was \$49,360 thousand and \$18,640 thousand, respectively. The contract liabilities (before tax) as of December 31, 2021 and 2020 were \$9,415 thousand and \$1,843 thousand, respectively. The relevant income recognized for 2021 and 2020 was \$16,457 thousand and \$0, respectively.

2. Disposal of property, plant and equipment

Related party category/name	Proceeds from disposal		Gains on disposal	
	2021	2020	2021	2020
Substantive related party	\$ <u> -</u>	\$ <u> 38</u>	\$ <u> -</u>	\$ <u> 38</u>

3. Lease-in arrangements

Account title	Related party category/name	December 31, 2021	December 31, 2020
Lease liabilities	Substantive related party	\$ <u> 1,282</u>	\$ <u> 2,122</u>

Related party category/name	2021	2020
<u>Interest expenses</u>		
Substantive related party	\$ <u> 47</u>	\$ <u> 82</u>

4. Lease-out arrangements

Operating leases

The Group leases out property to substantive related parties under operating leases, and there is no significant difference compared with general non-related party transactions. As of December 31, 2021 and 2020, the total amount of lease payments that would be received in the future was both \$0. The rental income recognized for 2021 and 2020 was \$910 thousand and \$863 thousand, respectively.

5. Operating expenses

The amount of property management services provided by associates in 2021 and 2020 to the Group was \$21,760 thousand and \$18,140 thousand, respectively.

The donations to related parties by the Group were \$5,182 thousand in both 2021 and 2020.

6. Others

- (1) As of December 31, 2021 and 2020, the related parties provided the assets below as collateral for the Group's loans and guarantees:

<u>Related party category/name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Substantive related party Lin Rong Shian et al.	Securities	Securities

- (2) The Group applied to banks for financing, short-term bills payable, and performance guarantee, with the substantive related party Lin Rong Shian et al. as the joint guarantors.

(III) Remuneration of key management personnel

	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 51,680	\$ 68,422
Post-employment benefits	<u>932</u>	<u>1,048</u>
Total	<u>\$ 52,612</u>	<u>\$ 69,470</u>

The remuneration of directors and key management personnel is proposed by the remuneration committee in accordance with individual performance and the Company's profitability, and then submitted to the board of directors for discussion and decision. For detailed information on the total remuneration paid to the above-mentioned key management personnel, please refer to the annual report of the shareholders' meeting.

33. Pledged assets

The assets below have been provided as collateral for the issue of performance bonds, bank loans, short-term bills payable, and gift certificates:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets at amortized cost - current	\$ 1,033,724	\$ 376,356
Financial assets at amortized cost - non-current	1,993,654	2,629,129
Buildings and land held for sale	4,946,017	5,920,529
Property to be developed	786,834	701,062
Property under development	1,346,387	856,562
Right-of-use assets - cost of land	861,378	887,203
Investment property - right-of-use assets	2,127,787	2,183,303
Intangible assets	1,957,631	2,020,097
Investment properties	12,126,345	12,587,881
Property, plant and equipment	<u>8,592,907</u>	<u>8,801,708</u>
	<u>\$ 35,772,664</u>	<u>\$ 36,963,830</u>

34. Significant commitments and contingencies

Except for other notes, the significant commitments and contingencies of the Group at the end of the reporting period are as follows:

- (I) As of December 31, 2021 and 2020, the Group entered into contracts for procurement of construction materials with a number of suppliers. The total contract price and the payments made are listed as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total contract price	\$ 13,097,520	\$ 11,208,460
Payments already made (Note)	4,273,189	4,038,677

Note: Recognized under accounts of property under development, unfinished construction, and prepayments.

- (II) As of December 31, 2021 and 2020, the guarantee bills issued by the Group for contracting projects were \$63,377 thousand and \$1,422,012 thousand, respectively.
- (III) In December 2001, RADIUM signed an Investment Agreement of the Xindian Depot Joint Development, Xindian Line (MRT) with the Taipei City Government. Both parties discussed matters related to the joint development (Mehas Project) at the Xindian factory base of the Xindian Line of the MRT system. It was agreed that the Taipei City Government and other landlords would provide the land, and RADIUM would invest in the construction of residential buildings, offices, and shopping malls. As of December 31, 2021 and 2020, the amount of the performance bond paid by the Company using certificates of time deposits was both \$118,703 thousand.

(IV) In December 2009, RADIUM signed the Land Development Investment Agreement for Daqiao Elementary Station, Xinzhuang Line (MRT). It was agreed that the Taipei City Government and other landlords would provide the land and RADIUM would invest in the construction of buildings. RADIUM and each landlord shall allocate the rights and interests in accordance with the agreed method. As of December 31, 2021 and 2020, the amount of the performance bond paid by RADIUM 's using certificates of time deposits was both \$21,336 thousand.

(V) RADIUM won the bid for the “District 1 and District 2 Land Tender for Fu-Jou Affordable Housing Project Investment Plan” in September 2011. As of December 31, 2021 and 2020, the amount of the performance bond paid by the Company's using certificates of time deposits was both \$29,877 thousand.

Some of the buyers of the Company’s first-floor units of the Fu-Jou Affordable Housing Project in Banciao filed a lawsuit for the termination of the sale and purchase contract. The Company has reached a settlement with most of the buyers who filed a lawsuit. There is currently only one lawsuit (one buyer) still on trial in the court of first instance. Some of the buyers filed lawsuits claiming the Company was late in notifying the date of the house handover and requested interest. At present, a lawsuit is under trial in the first-instance court; two lawsuits are abandoned by the Supreme Court pending retrial by the High Court; and one lawsuit is under trail in the third-instance court.

(VI) RADIUM and Ji-Shun and the Taichung City Government signed the” The Land Development Project of WuRi WenXin BeiTun Line G6 and G8a Station of Taichung Mass Rapid Transit Systems” in December 2020. As of December 31, 2021 and 2020, RADIUM has paid the performance bond for the Taichung City Government Wenxin Chongde Station (G6) and Wenxin Yinghua Station (G8a) project in the amount of \$5,165thousand and \$4,087thousand, respectively. The performance guaranties issued the bank as Ji-Shun’s performance bonds for the Wenxin Chongde Station (G6) and Wenxin Yinghua Station (G8a) are in the amounts of \$46,485 thousand and \$36,779 thousand, respectively.

(VII) The Company entered into a Commissioning Contract for New Urban Renewal Project Executor for 25 lots (formerly 28 lots) of land at 2 sections of Gongyuan Section, Zhongzheng District, Taipei City with Cathay United Bank in May 2021. The allocation of related rights and interests of the entire project are handled by means of a rights exchange in accordance with the Urban Renewal Act as of

December 31, 2021, the amount of the performance guarantee issued by the bank as the performance bond was \$60,000 thousand.

- (VIII) RADIUM and Ji-Shun and the Taichung City Government signed the "The Land Development Project of WuRi WenXin BeiTun Line Station NanTun Station (G11) of Taichung Mass Rapid Transit Systems" in September 2021. As of December 31, 2021, the amount of the performance bond paid by the Company using certificates of time deposits was \$7,042 thousand. The amount of the performance guarantee issued by the bank to Ji-Shun as the performance bond was \$63,377 thousand.
- (IX) Originally, the Jun-An Construction Development Co., Ltd. was the investor, and Titan was the partner. They signed the joint development investment contract for the "Joint Development Project of the land of Muzha Station, Muzha Line (MRT)". Subsequently, Ji-Shun and Jun-An Construction Development Co., Ltd. signed an agreement on the transfer of rights and obligations in the Muzha project in October 2005, It was agreed that the rights and obligations of Jun-An Construction Development Co., Ltd. in relation to the aforementioned joint development investment contract shall be generally assumed by Ji-Shun.

As of December 31, 2021 and 2020, Jun-An Construction Development Co., Ltd. and Ji-Shun had paid a total of \$8,050 thousand for the guarantee and warranty bond.

- (X) In February 2020, Titan signed an agreement for the "Urban Renewal Project for the Old Dormitory Area East of Kaohsiung Railway Station" with the Taiwan Railways Administration, Ministry of Transportation and Communications, to carry out urban renewal-related operations within the scope of the unit to be renewed by way of rights transfer. As of December 31, 2021 and 2020, the amount of the performance guarantee issued by the bank as the performance bond was both \$200,000 thousand.
- (XI) In April 2014, Ji-Shun and Hsueh-Wen Lu and others agreed that landlords, including Hsueh-Wen Lu, would provide land, and Ji-Shun would provide funds to construct buildings for the "Joint Construction Project of Land in Qingsheng Section, Zhongli District". Ji-Shun and local landlords allocated the rights and interests in the agreed manner.

On December 31, 2020, Ji-Shun had paid a performance bond of \$250,000 thousand to the landlords in accordance with the contract.

The new construction was completed on December 31, 2021 and all landlords refunded the performance bond of \$250,000 thousand in accordance with contract.

(XII) In December 2004, Wan-Da-Tong signed the “Development and Operation Contract for the T9 Land in the Dedicated Area of the Taipei Main Station” (hereinafter referred to as “development and operation contract”) with the Taipei City Government, the Taiwan Railways Administration, Ministry of Transportation and Communications, and the Department of Rapid Transit Systems, Taipei City Government.

In January 2005, Wan-Da-Tong additionally signed the “Contract for Establishment of T9 Land Superficies in the Dedicated Area of the Taipei Main Station” (hereinafter referred to as the Contract for Establishment of Superficies) with the Taipei City Government and the Taiwan Railways Administration, Ministry of Transportation and Communications. The duration of the superficies is 50 years. When the Contract for Establishment of Superficies is terminated, the “Development and Operation Contract will be terminated at the same time.

The term “development and operation” includes investment, design, construction, operation, management, and maintenance of the base, the objects on the ground, and its ancillary facilities and equipment, as well as the design, construction, management, and maintenance of the landscape of the base and the objects on the ground.

The two contracts above stipulate that from 2006 to the expiration of the development and operation contract period, the proportion of shareholders' equity at the end of each fiscal year to Wan-Da-Tong's total assets shall not be less than 15%.

(XIII) Ji-Sheng signed a money trust contract with King's Town Bank Co., Ltd. regarding a residential/office assets financing project for the project for the development of the T9 land in the dedicated area of the Taipei Main Station. In order to fulfill its commitment to the financing bank, Ji-Sheng shall honor its commitment to entering the market and purchasing regular use right in an auction procedure in the case of non-performing loans, and meet its commitment to the financing bank. The contract period is from date of signing the contract to June 30, 2030. However, if Ji-Sheng's loan to King's Town Bank Co., Ltd. has not been repaid by the maturity date, Ji-Sheng shall extend the contract until the completion of the financing settlement. As of December 31, 2021 and 2020, the deposit balance of the trust account in accordance with the agreement was \$68,892 thousand and \$68,948 thousand, respectively.

- (XIV) Rih-Yao and the Taipei City Government signed the “Contract for Establishment of Superficies for the City Government-owned Land, Sub-section 2, Fuxing Section, Daan District, Taipei City” in October 2010. The duration of the superficies is 50 years from the date of signing the contract. As of December 31, 2021 and 2020, the amount of the performance guarantee issued by the bank as the performance bond was both \$50,000 thousand.
- (XV) Rih-Yao has leased buildings to Home Hotel since August 14, 2013. However, Home Hotel stated that due to the impact of the COVID-19 pandemic, there was an imbalance in its operating income and expenditure. Since May 2020, it has not paid rents to Rih-Yao. Both parties failed to negotiate the rent adjustment. Home Hotel has successively filed two applications for provisional disposition, requesting the court to order Rih-Yao to prohibit Rih-Yao from presenting for payment for checks dated between May and July 2020 and August and December 2020. The Taiwan Taipei District Court approved the applications and implemented them accordingly. Rih-Yao has filed an interlocutory appeal against the rulings on the two provisional dispositions above, and the first provisional disposition is currently under trial in the Supreme Court. The second provisional disposition was rejected by the Supreme Court, meaning the second provisional disposition was revoked. However, Home Hotel applied to the bank to cancel the entrustment for rent check payment from August to December 2020. Therefore, Rih-Yao did not get reimbursed. In addition, Home Hotel filed a request to the court for a discretionary reduction of the rents from March to December 2020, and a further request for a discretionary reduction of the rents from January to December 2021, which is currently on trial in the Taiwan Taipei District Court. The Taipei District Court ruled in favor of the Company in all cases, and Home Hotel appealed against the ruling, which was under trial by the Supreme Court and sent back to the High Court pending for trial.
- (XVI) Zhao-Yao signed the “Contract for Establishment of Superficies for the State-owned Non-Public Land” with Northern Region Office, National Property Administration in January 2011, and the duration of the superficies is 50 years from the date of signing the contract.
- (XVII) In October 2012, Rih-Ding Water signed an investment contract on the “Promotion of Private Participation in Build-Operate-Transfer (BOT) Project for Taoyuan City Taoyuan District Sewage System” (hereinafter referred to as the “Investment Contract”) with the Taoyuan City Government. Rih-Ding Water handles matters

related to the construction of sewage system in the Taoyuan area in the BOT model in accordance with the Act for Promotion of Private Participation in Infrastructure Projects. The project license period is 35 years in total from the day following the signing of the Investment Contract.

Rih-Ding Water signed the “Contract for Establishment of Superficies for the Promotion of Private Participation in Build-Operate-Transfer (BOT) Project for Taoyuan City Taoyuan District Sewage System” with the Taoyuan City Government in October 2012. The duration of the superficies is from the completion date of the establishment of the superficies to the maturity date of the license period of the Investment Contract. The scope of Rih-Ding Water’s business during the license period is the construction of a sewage system and the treatment of the sewerage under the project, as well as the operation, maintenance, renewal, and additions of the sewage system.

As of December 31, 2021 and 2020, the performance guaranty issued as a performance bond for Rih-Ding Water was both in the amount of \$228,000 thousand and \$321,000 thousand, respectively, and the amounts of the performance bond paid using the certificates of time deposit were \$2,508 thousand and \$3,344 thousand, respectively.

(XVIII) Rih-Siang signed the “Construction and Operation Contract for the New Taipei City Youth Housing BOT Project” (hereinafter referred to as the “Construction and Operation Contract”) with the Urban and Rural Development Bureau, New Taipei City, in May 2013. Rih-Siang has invested in and constructed the youth housing projects in New Taipei City in the BOT model for Promotion of Private Participation in Infrastructure Projects. The Contract period is 70 years from the date of signing the contract. The Construction and Operation Contract stipulates that Rih-Siang shall be responsible for the planning, design, construction, and operation management of the land for the New Taipei City youth housing BOT project, and for appropriate repair, maintenance, renewal, and additions of relevant facilities and equipment of the New Taipei City youth housing BOT project, while stipulating that at least 70% of the total floor area of the building shall be used as residential units for rental. In addition, Rih-Siang signed the “Contract for Establishment of Superficies for the New Taipei City Youth Housing BOT Project” with the Urban and Rural Development Bureau, New Taipei City, in May 2013. The duration of the superficies

is from the completion date of the establishment of the superficies to the maturity date of the termination of the Construction and Operation Contract.

As of December 31, 2021 and 2020, the performance guaranties issued by the bank as Rih-Siang's performance bonds were both in the amounts of \$50,000 thousand.

- (XIX) Rih-Zuan has signed a power purchase contract with Taiwan Power Company. The contract will be terminated on the day of 20 years from the day when the generator sets are connected in parallel for the first time. Except for the sale of electricity to the Taiwan Power Company in bulk according to the regulations, Rih-Zuan shall not privately sell the electricity generated by its renewable energy system to others.
- (XX) In September 2020, Jing-Ding signed an investment contract on the "Build-Operate-Transfer (BOT) Project of Resource Processing Center in Changhua Coastal Industrial Park by Industrial Development Bureau, Ministry of Economic Affairs" (hereinafter referred to as the investment contract) with the Industrial Development Bureau, Ministry of Economic Affairs. Jing-Ding handles matters related to the construction of the Resource Processing Center in Changhua Coastal Industrial Park in the BOT model in accordance with the Act for Promotion of Private Participation in Infrastructure Projects. The project license period is 24 years from the date of signing this investment contract, that is 2 years for the environmental assessment and the construction period, respectively, and 20 years for the operation period.

35. Capital management

The Group must maintain a large amount of capital to meet the needs for new construction projects and other relevant projects. Therefore, the Group's capital management aims to ensure that it has the necessary financial resources and operating plans to support the needs for working capital, capital expenditures, debt repayment, and dividend payments required for the next operating cycle.

In order to meet the capital needs during the construction period, the Group responds to the needs with loans from financial institutions and its own funds, resulting in a debt ratio that is relatively higher than the general industry level. However, after the completion of the construction project, handover of the project, and repayment of loans from financial institutions, the debt ratio will decrease significantly. In order to avoid the potential market risk arising from the Company's over-reliance on the borrowings from financial institutions, and to appropriately control the Company's interest

expenses, the Group will use financing devices in the capital market in a timely manner to adjust the debt ratio and the proportions of the capital structure.

36. Financial instruments

(I) Fair value—financial instruments not at fair value

The Group’s management believes that the carrying amount of the Group’s financial assets and liabilities measured not at fair value is close to their fair value.

(II) Fair value—financial instruments at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Fund beneficiary certificates	<u>\$ 18,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,329</u>
Financial assets at FVTOCI				
Investment in equity instruments				
- Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,233</u>	<u>\$ 57,233</u>

December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Fund beneficiary certificates	<u>\$ 12,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,940</u>
Financial assets at FVTOCI				
Investment in equity instruments				
- Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,795</u>	<u>\$ 58,795</u>

There were no transfers between Level 1 and Level 2 fair value measurements in 2021 and 2020.

2. Valuation techniques and inputs applied for Level 3 fair value measurement

Domestic unlisted equity investment is based on the asset method to evaluate the total value of individual assets and individual liabilities covered by the target in the valuation to reflect the overall value of a company or business. Significant unobservable inputs include liquidity discounts. When these unobservable inputs decrease, the fair value of such investments will increase.

(III) Categories of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily at FVTPL	\$ 18,329	\$ 12,940
Financial assets at amortized cost (Note 1)	17,528,194	16,773,296
Financial assets at FVTOCI		
Investment in equity instruments	57,233	58,795
Other financial assets - current	100	160
<u>Financial liabilities</u>		
Guarantee deposits received (Note 2)	359,196	354,346
Amortized cost (Note 3)	39,648,067	40,125,841

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, investment in debt instruments, notes receivable, trade receivables, other receivables, long-term receivables, and refundable deposits.

Note 2: The balances include guarantee deposits received recognized in other current liabilities and non-current liabilities.

Note 3: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade payable, other payables, long-term borrowings maturing within one year or one business cycle, bonds maturing or exercising repurchase rights within one year or one business cycle, and bonds payable, bonds payable, and long-term borrowings.

(IV) Financial risk management objective and policies

The Group's main financial instruments include investments in equity and debt instruments, trade receivables, trade payable, bonds payable, and borrowings. The Group's financial management department provides services to various business units, coordinates the operations in the domestic and international financial markets, and supervises and manages the financial risks related to the Group's operations through the internal reports on risk exposure analyses based on the degree and breadth of risks. These risks include market risk, credit risk, and liquidity risk.

1. Market risk

The main financial risk for the Group's operating activities are the risk of changes in interest rates. Because the entities in the Group borrow funds at fixed and floating interest rates at the same time, leading to exposure to the

interest rate risk. The Group manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates. The Group regularly evaluates hedging activities to align them with the interest rate view and established risk preferences to ensure that the most cost-effective hedging strategy is adopted.

The carrying amounts of the financial assets and financial liabilities of the Group exposed to the interest rate risk at the end of the reporting period are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Fair value interest rate risk</u>		
Financial assets	\$ 391,522	\$ 433,582
Financial liabilities	10,577,498	9,456,584
<u>Cash flow interest rate risk</u>		
Financial assets	6,195,987	6,251,527
Financial liabilities	24,998,116	26,449,638

Sensitivity analysis

The sensitivity analysis below is determined based on the exposure to the interest rate risk of derivative and non-derivative instruments at the end of the reporting period. For liabilities with floating interest rates, the analysis method is based on the assumption that the amount of liabilities outstanding at the end of the year is outstanding throughout the reporting period. The sensitivity to a 100-basis point change in interest rate is used when reporting the interest rate risk internally to key management personnel and also represents the management's assessment of the reasonably possible change in interest rates.

If the interest rate increased by 100 basis points and all other variables remain unchanged, the Group's net income before tax for 2021 and 2020 would have decreased by \$188,021 thousand and \$201,981 thousand, respectively, mainly because of the variable interest rate of the Group's borrowings.

The Group's sensitivity to interest rates declined during the current period, mainly due to the increase in asset instruments at variable interest rates.

2. Credit risk

The Group's main potential credit risk arise from financial products, such as cash in banks, notes receivable, and trade receivables. The Group's cash is deposited in different financial institutions, and the transaction counterparties

are financial institutions with good credit ratings, so it is expected that no significant credit risk will arise. The Group controls the credit risk exposed to each financial institution, and believes that it believes that there is no significant credit risk of concentration of its cash certain banks. In order to reduce the credit risk of trade receivables, the Group continuously evaluates customers' financial position, and regularly evaluates the possibility of the recovery of trade receivables and provides allowances for bad debts, so the possibility of occurrence of the credit risk is extremely low.

3. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the impact of cash flow fluctuations. The management of the Group monitors the use of the bank financing facilities and ensures compliance with the terms of the borrowing terms.

As of December 31, 2021 and 2020, the undrawn financing facilities (including financing projects) of the Group were \$5,752,625 thousand and \$5,385,952 thousand, respectively.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Group might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank borrowings with a repayment on demand clause were included in the earliest time period in the table below, regardless of the probability of exercise of the right by banks. The maturity analysis of other non-derivative financial liabilities was compiled in accordance with the agreed repayment date.

For interest cash flows paid at floating interest rates, the undiscounted amount of interest is derived from the yield curve at the end of year.

December 31, 2021

	On demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 958,503	\$ 467,866	\$ 1,704,246	\$ 996,883	\$ 115,024
Lease liabilities	17,471	34,941	156,092	438,509	2,668,586
Floating interest rate instruments	325,581	1,580,762	7,783,409	9,647,213	5,696,847
Fixed interest rate instruments	847,600	1,522,800	2,122,300	6,107,500	-
	<u>\$ 2,149,155</u>	<u>\$ 3,606,369</u>	<u>\$ 11,766,047</u>	<u>\$ 17,190,105</u>	<u>\$ 8,480,457</u>

Further information on the above analysis of financial liabilities maturity is as follows:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years
Lease liabilities	<u>\$ 208,504</u>	<u>\$ 438,509</u>	<u>\$ 431,185</u>	<u>\$ 428,042</u>	<u>\$ 428,042</u>	<u>\$1,381,317</u>

December 31, 2020

	On demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 1,763,384	\$ 495,911	\$ 1,080,972	\$ 900,334	\$ 142,360
Lease liabilities	18,266	35,920	159,690	569,219	2,514,412
Floating interest rate instruments	707,530	1,103,090	4,272,884	14,592,096	7,257,967
Fixed interest rate instruments	<u>60,000</u>	<u>200,000</u>	<u>-</u>	<u>6,800,000</u>	<u>977,500</u>
	<u>\$ 2,549,180</u>	<u>\$ 1,834,921</u>	<u>\$ 5,513,546</u>	<u>\$ 22,861,649</u>	<u>\$ 10,892,239</u>

Further information on the above analysis of financial liabilities maturity is as follows:

	Less than 1 Year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years
Lease liabilities	<u>\$ 213,876</u>	<u>\$ 569,219</u>	<u>\$ 446,465</u>	<u>\$ 428,042</u>	<u>\$ 428,042</u>	<u>\$1,211,863</u>

37. Other Matters

Due to the increasing infected cases of COVID-19, a nationwide Level 3 alert control measures was imposed from May 19 to July 26, 2021. During this period, demand for shopping mall retail and hotel accommodation, etc., sharply decreased, resulting in a decline in the Group's operating revenues of related operating segments. However, after the alert was lowered to Level 2 on July 27, 2021, the domestic pandemic situation slowed down. As the vaccination coverage rate continued to climb, the government gradually launched preferential policies. The operating revenue of the Group's relevant operating segments has recovered to the previous level since fourth quarter of 2021. The Group will continue to observe and keep abreast of relevant risks, and adjust its operating strategies at any time, with a view to minimizing the impact of the pandemic.

In response to the impact of the pandemic, the Group has taken the following actions:

(I) Adjustment to business strategy

Aside from saving costs, in the with the government's revitalization policy to boost the economy, the Group launched promotions at department stores or hotel discounts to increase operating revenue, reducing the impact of the pandemic.

(II) Fundraising strategy

The Group has applied to from Ministry of Economic Affairs for relief loans to facilitate working capital turnover.

(III) Government relief measures

The Group has applied to the government for subsidies such as salary, rent and tax reductions.

38. Additional disclosures

(I) Information on significant transactions and (II) Information on investees:

1. Financing provided to others: Table 1.
2. Endorsements/Guarantees provided: Table 2.
3. Marketable securities held at the end of period: Table 3.
4. Marketable securities acquired or disposed of at costs or prices at least \$300 million or 20% of the paid-in capital: Table 4.
5. Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital: Table 5.
8. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Table 6.
9. Trading in derivative instruments: None.
10. Intercompany relationships and significant intercompany transactions: Table 7.
11. Information on investees: Table 8.

(II) Information on investments in Mainland China

1. Information on any investee in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current income or loss and investment income or loss recognized, carrying amount of the investment at the

end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 9.

2. Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

(III) Information on major shareholders

List of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: Table 10.

39. Segment information

The Group's information reported to the chief operating decision-maker for resource allocation and segment performance assessment focuses on types of goods or services delivered or provided. The Group's reportable segments for 2021 and 2020 are as follows:

Construction: Contracting builders to build buildings for sales or engaging in civil engineering business.

Leasing: Housing and building development and rental.

Shopping mall business: Operating shopping mall business.

Sewage treatment: Operating sewage treatment business.

Others: Transit station business, hotel business, investment business, energy technology services, biotechnology business, and cosmetics business.

(I) Segment revenues and results

The following is an analysis of the Group's revenue and results by the reportable segments.

	2021					Adjusted and write-off	Total
	Construction	Leasing	Shopping mall business	Sewage treatment	Others		
Revenue from external customers	\$2,740,527	\$ 662,892	\$1,103,787	\$1,314,905	\$ 436,986	\$ -	\$6,259,097
Inter-segment revenue	<u>1,127,086</u>	<u>584,464</u>	<u>1,135</u>	<u>-</u>	<u>19,370</u>	<u>(1,732,055)</u>	<u>-</u>
Segment revenue	<u>\$3,867,613</u>	<u>\$1,247,356</u>	<u>\$1,104,922</u>	<u>\$1,314,905</u>	<u>\$ 456,356</u>	<u>)</u>	<u>\$6,259,097</u>
Segment profit or loss	<u>\$ 172,714</u>	<u>\$ 68,686</u>	<u>\$ 64,070</u>	<u>\$ 817,247</u>	<u>(\$ 81,153)</u>	<u>\$ 24,066</u>	\$1,065,630
Interest expenses							(334,377)
General income and expense, net							(451,322)
Profit before income tax							<u>\$ 279,931</u>

	2020						Total
	Construction	Leasing	Shopping mall business	Sewage treatment	Others	Adjusted and write-off	
Revenue from external customers	\$2,112,447	\$ 619,313	\$1,360,686	\$2,209,291	\$ 470,595	\$ -	\$6,772,332
Inter-segment revenue	<u>1,442,329</u>	<u>624,787</u>	<u>846</u>	<u>-</u>	<u>28,632</u>	<u>(2,096,594)</u>	<u>-</u>
Segment revenue	<u>\$3,554,776</u>	<u>\$1,244,100</u>	<u>\$1,361,532</u>	<u>\$2,209,291</u>	<u>\$ 499,227</u>	<u>)</u>	<u>\$6,772,332</u>
Segment profit or loss	<u>\$ 655,976</u>	<u>(\$ 40,344)</u>	<u>\$ 251,912</u>	<u>\$1,099,121</u>	<u>(\$ 100,295)</u>	<u>\$ 70,029</u>	\$1,936,399
Interest expenses							(403,882)
General income and expense, net							(530,859)
Profit before income tax							<u>\$1,001,658</u>

Segment gains refer to the profits earned by each segment, excluding administrative expenses and interest expenses that cannot be attributed. This is the measure reported to the chief operating decision-maker for resource allocation and assessment of segment performance.

(II) Geographical information

The Group's foreign operations are not material.

(III) Information on major customers: None.

Table 1

Radium Life Tech Co., Ltd. and Subsidiaries

Financing Provided to Others

For the Year ended December 31, 2021

(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
1	Titan Development and Construction Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Other receivables from related parties	Yes	\$ 340,000	\$ 100,000	\$ 50,000	2.6000%-5.3500%	Short-term financing	\$ -	Operating capital	\$ -	None	\$ -	\$ 734,807	\$ 734,807
1	Titan Development and Construction Co., Ltd.	Radium-Kagaya International Hotel Co., Ltd.	Other receivables from related parties	Yes	20,000	-	-	2.3500%-5.3500%	Short-term financing	-	Operating capital	-	None	-	734,807	734,807
1	Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Other receivables from related parties	Yes	190,000	-	-	2.3500%-5.3500%	Short-term financing	-	Operating capital	-	None	-	734,807	734,807
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	Other receivables from related parties	Yes	380,000	350,000	200,000	4.4140%-5.3500%	Short-term financing	-	Operating capital	-	None	-	734,807	734,807
1	Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Other receivables from related parties	Yes	260,000	50,000	-	4.4140%	Short-term financing	-	Operating capital	-	None	-	734,807	734,807
2	Radium Far East Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Other receivables from related parties	Yes	120,000	60,000	60,000	2.9880%-3.2880%	Short-term financing	-	Operating capital	-	None	-	167,691	167,691
2	Radium Far East Co., Ltd.	Zhao Yao Enterprise Co., Ltd.	Other receivables from related parties	Yes	10,000	-	-	2.9880%-3.2880%	Short-term financing	-	Operating capital	-	None	-	167,691	167,691
2	Radium Far East Co., Ltd.	Rih Yao Development Co., Ltd.	Other receivables from related parties	Yes	10,000	10,000	10,000	2.9880%-3.2880%	Short-term financing	-	Operating capital	-	None	-	167,691	167,691
3	Jing-Jan Investment Holdings Co., Ltd.	Radium Life Tech Co., Ltd.	Other receivables from related parties	Yes	500,000	500,000	180,000	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457	2,266,457
3	Jing-Jan Investment Holdings Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Other receivables from related parties	Yes	400,000	300,000	50,000	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457	2,266,457
3	Jing-Jan Investment Holdings Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Other receivables from related parties	Yes	150,000	-	-	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457	2,266,457
3	Jing-Jan Investment Holdings Co., Ltd.	Rih Zuan Green Energy Technology Co., Ltd.	Other receivables from related parties	Yes	30,000	10,000	10,000	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457	2,266,457
3	Jing-Jan Investment Holdings Co., Ltd.	Zhao Yao Enterprise Co., Ltd.	Other receivables from related parties	Yes	100,000	-	-	0.7550%	Short-term financing	-	Operating capital	-	None	-	2,266,457	2,266,457
4	Li Chiang Development Co., Ltd.	Radium Life Tech Co., Ltd.	Other receivables from related parties	Yes	130,000	-	-	2.4500%-2.8500%	Short-term financing	-	Operating capital	-	None	-	190,476	190,476
4	Li Chiang Development Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Other receivables from related parties	Yes	80,000	80,000	60,000	2.4500%	Short-term financing	-	Operating capital	-	None	-	190,476	190,476
5	Rih Siang Property Management Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Other receivables from related parties	Yes	120,000	-	-	2.6797%-2.7525%	Short-term financing	-	Operating capital	-	None	-	767,562	767,562
5	Rih Siang Property Management Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Other receivables from related parties	Yes	310,000	190,000	160,000	2.3291%-2.7525%	Short-term financing	-	Operating capital	-	None	-	767,562	767,562
5	Rih Siang Property Management Co., Ltd.	Rih Yao Development Co., Ltd.	Other receivables from related parties	Yes	150,000	100,000	40,000	2.3291%-2.9440%	Short-term financing	-	Operating capital	-	None	-	767,562	767,562
6	Ji Sheng Zih Chan Development Co., Ltd.	Rih Yao Development Co., Ltd.	Other receivables from related parties	Yes	20,000	10,000	10,000	0.1750%-0.3593%	Short-term financing	-	Operating capital	-	None	-	32,460	32,460
7	PritBiotech Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Other receivables from related parties	Yes	70,000	40,000	40,000	1.2550%	Short-term financing	-	Operating capital	-	None	-	61,433	61,433

Note 1: The Company's and its subsidiaries' cumulative balance of financing provided and the total amount of financing provided to the same borrower shall not exceed 40% of the net worth of each company as stated in most recent financial statements verified by CPAs.

Note 2: The transactions above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Table 2

Radium Life Tech Co., Ltd. and Subsidiaries
 Endorsements/Guarantees Provided
 For the Year ended December 31, 2021
 (In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement /Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China
		Company name	Relationship										
0	Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	Subsidiary in which at least 50% of equity is held	\$ 33,498,999	\$ 1,469,000	\$ 860,000	\$ 860,000	\$ 300,000	7.70%	\$ 66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Rih Yao Development Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	904,250	904,250	904,250	-	8.10%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Xin Xiu Ge Hotel Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	88,000	88,000	88,000	-	0.79%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Sub-subsidiary company in which at least 50% of equity is held	33,498,999	17,030,000	9,820,000	9,820,000	-	87.94%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Rih Siang Property Management Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	1,982,350	1,826,000	1,826,000	-	16.35%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Zhao Yao Enterprise Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	1,836,000	1,836,000	1,836,000	-	16.44%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	2,297,865	1,903,215	1,903,215	-	17.04%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Radium-Kagaya International Hotel Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	130,000	50,000	50,000	-	0.45%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Subsidiary in which at least 50% of consolidated equity is held	33,498,999	475,260	475,260	475,260	-	4.26%	66,997,998	Y	N	N
0	Radium Life Tech Co., Ltd.	Rih Zuan Green Energy Technology Co., Ltd.	Subsidiary in which at least 50% of equity is held	33,498,999	58,000	47,700	47,700	-	0.43%	66,997,998	Y	N	N
1	Ji Shun Life Tech Co., Ltd.	Ji Sheng Zih Chan Development Co., Ltd.	Subsidiary in which at least 50% of equity is held	2,527,880	268,000	134,000	134,000	81,711	15.90%	5,055,759	N	N	N
2	Xin Xiu Ge Hotel Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company in which at least 50% of equity is held	123,643	120,000	120,000	120,000	302	291.16%	247,286	N	Y	N
3	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company in which at least 50% of equity is held	5,511,052	1,066,000	186,000	186,000	186,000	10.13%	11,022,104	N	Y	N
4	Jing-Jan Investment Holdings Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company in which at least 50% of equity is held	16,998,425	3,135,000	2,880,000	2,880,000	2,880,000	50.83%	33,996,849	N	Y	N
5	Li Chiang Development Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company in which at least 50% of equity is held	1,428,571	50,000	-	-	-	-	2,857,142	N	Y	N

Note 1: The amount of the Company's or its subsidiaries' endorsements/guarantees to a single enterprise is limited to 3 times the net worth of each company as stated in most recent financial statements verified by CPAs.

Note 2: The total amount of endorsements/guarantees by the Company or its subsidiaries is limited to not more than 6 times the net worth of each company as stated in most recent financial statements verified by CPAs.

Table 3

Radium Life Tech Co., Ltd. and Subsidiaries

Marketable Securities Held

December 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with Securities Issuer	Financial Statement Account	Ending Balance			Note	
				Number of Shares or Units (in Thousands)	Carrying Amount	Percentage of Ownership (%)		Fair Value
Radium Life Tech Co., Ltd.	<u>Stock</u> Linkou Recreation Enterprise Co., Ltd.	None	Financial assets at FVTOCI - Non-current	-	\$ 5,100	-	\$ 5,100	
Titan Development and Construction Co., Ltd.	<u>Stock</u> Xantia Corporation	None	Financial assets at FVTOCI - Non-current	55	-	0.07%	-	
PritBiotech Co., Ltd.	<u>Stock</u> Tsinghua Life Technology Co., Ltd.	None	Financial assets at FVTOCI - Non-current	3	139	2.50%	139	
PritBiotech Co., Ltd.	<u>Stock</u> Deyang Biotechnology Venture Capital Co., Ltd.	None	Financial assets at FVTOCI - Non-current	118	1,434	3.70%	1,434	
PritBiotech Co., Ltd.	<u>Stock</u> Shih Jui Biotech Corp. Ltd.	None	Financial assets at FVTOCI - Non-current	50	-	16.67%	-	
Radium Far East Co., Ltd.	<u>Stock</u> Mega Growth Venture Capital Co., Ltd.	None	Financial assets at FVTOCI - Non-current	5,000	50,560	3.94%	50,560	
Ji Shun Life Tech Co., Ltd.	<u>Fund</u> Mega Danish Covered Mortgage Bond Index Fund	None	Financial assets at FVTPL - current	500	4,706	-	4,706	
Radium Life Tech Co., Ltd.	<u>Fund</u> TCB US Short Duration High Yield Bond Fund	None	Financial assets at FVTPL - current	300	2,997	-	2,997	
Radium Life Tech Co., Ltd.	<u>Fund</u> Taishin ESG Emerging Markets Bond Fund	None	Financial assets at FVTPL - current	300	2,752	-	2,752	
Radium Life Tech Co., Ltd.	<u>Fund</u> KGI ESG Sustainable Emerging Market Bond Fund	None	Financial assets at FVTPL - current	300	2,944	-	2,944	
Jing-Jan Retail Business Co., Ltd.	<u>Fund</u> Taiwan Business Bank Eastspring Investments India Bond Fund	None	Financial assets at FVTPL - current	500	4,930	-	4,930	

Note 1: Refer to Tables 8 and 9 for the information on subsidiaries and associates.

Table 4

Radium Life Tech Co., Ltd. and Subsidiaries

Marketable Securities Acquired or Disposed of at Costs or Prices at Least NT\$300 Million or 20% of the Paid-in Capital

For the Year ended December 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal			Others		Ending Balance		
					Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount	Carrying Amount	Gains / Losses on Disposal	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount
Radium Life Tech Co., Ltd.	Stock Rih Ding Circular Economy Investment Holding Co., Ltd.	Investments accounted for the equity method	Rih Ding Circular Economy Investment Holding Co., Ltd.	Subsidiaries	63,500	\$5,713,974	4,800	\$450,336 (Note 2)	-	\$ -	\$ -	\$ -	-	\$135,556 (Note 3)	68,300	\$6,299,866

Note 1: The securities mentioned in this table refer to stocks, bills, beneficiary certificates, and securities derived from the items above.

Note 2: It is the issuance of ordinary shares in the current period.

Note 3: It is the share of comprehensive income recognized by the Company using the equity method of \$690,556 thousand and cash dividends of \$555,000 thousand.

Note 4: The investments under equity method above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Table 5

Radium Life Tech Co., Ltd. and Subsidiaries

Total Purchases from or Sales to Related Parties Amounting to at Least NT\$100 Million or 20% of the Paid-in Capital

For the Year ended December 31, 2021

(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details (Note 1)				Abnormal Transaction		Note/Trade receivables (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	Parent company	Construction costs	\$ 155,227	100.00%	As agreed in contract	-	—	(\$ 318,726)	(92.08%)	
Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Associate	Sales	(473,056)	(37.88%)	As agreed in contract	-	—	115,790	48.40%	
Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	Associate	Sales	(382,295)	(30.62%)	As agreed in contract	-	—	50,643	21.17%	
Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company	Sales	(271,735)	(21.76%)	As agreed in contract	-	—	72,786	30.43%	
Wan Da Tong Enterprise Co., Ltd.	Jing-Jan Retail Business Co., Ltd.	Associate	Sales	(498,296)	(61.61%)	As agreed in contract	-	—	30	4.39%	
Rih Ding Water Enterprise Co., Ltd.	Titan Development and Construction Co., Ltd.	Associate	Construction costs	699,103	95.61%	As agreed in contract	-	—	(442,110)	(89.29%)	
Ji Shun Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	Associate	Construction costs	467,252	100.00%	As agreed in contract	-	—	(157,322)	(97.03%)	
Ding Sheng Green Energy Technology Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Associate	Sales	(123,771)	(100.00%)	As agreed in contract	-	—	31,426	100.00%	

Note 1: Since there was no relevant identical transaction to follow for the unit price of purchases from and sales to related parties, the transaction conditions were negotiated and determined by both parties.

Note 2: The transactions above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Table 6

Radium Life Tech Co., Ltd. and Subsidiaries

Receivables from Related Parties Amounting to at Least NT\$100 million or 20% of the Paid-in Capital

December 31, 2021

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company	\$ 200,000	-	\$ -	-	\$ -	\$ -	As of January 28, 2022 (Note 1)
Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	Associate	115,790	1.93	-	-	62,084	-	As of January 28, 2022
Rih Siang Property Management Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	Associate	160,000	-	-	-	-	-	As of January 28, 2022 (Note 1)
Jing-Jan Investment Holdings Co., Ltd.	Radium Life Tech Co., Ltd.	Parent company	180,000	-	-	-	-	-	As of January 28, 2022 (Note 1)

Note 1: Other receivables.

Note 2: The transactions above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Table 7

Radium Life Tech Co., Ltd. and Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions

For the Year ended December 31, 2021

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			% of Consolidated Revenue or Total Assets (Note 3)
				Financial Statement Accounts	Amount	Payment Terms	
0	Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	1	Property, plant and equipment	\$ 88,970	General transaction conditions	0.16%
0	Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	1	Buildings and land held for sale	112,635	General transaction conditions	0.20%
0	Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	1	Completed Investment Properties	87,622	General transaction conditions	0.16%
0	Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	1	Property under development	160,644	General transaction conditions	0.29%
0	Radium Life Tech Co., Ltd.	Jing-Jan Investment Holdings Co., Ltd.	1	Other payables to related parties	180,000	General transaction conditions	0.32%
0	Radium Life Tech Co., Ltd.	Radium-Kagaya International Hotel Co., Ltd.	1	Rental income	60,000	General transaction conditions	0.96%
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	2	Trade receivables from related parties	72,786	General transaction conditions	0.13%
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	2	Other receivables from related parties	200,000	General transaction conditions	0.36%
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	2	Contract assets - current	245,940	General transaction conditions	0.44%
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	2	Operating revenue	271,735	General transaction conditions	4.34%
1	Titan Development and Construction Co., Ltd.	Radium Life Tech Co., Ltd.	2	Operating costs	264,433	General transaction conditions	4.22%
1	Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	3	Operating revenue	473,056	General transaction conditions	7.56%
1	Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	3	Operating costs	461,377	General transaction conditions	7.37%
1	Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	3	Trade receivables from related parties	115,790	General transaction conditions	0.21%
1	Titan Development and Construction Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	3	Contract assets - current	326,320	General transaction conditions	0.58%
1	Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	3	Contract assets - current	106,679	General transaction conditions	0.19%
1	Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	3	Trade receivables from related parties	50,643	General transaction conditions	0.09%
1	Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	3	Operating revenue	382,295	General transaction conditions	6.11%
1	Titan Development and Construction Co., Ltd.	Ji Shun Life Tech Co., Ltd.	3	Operating costs	377,657	General transaction conditions	6.03%

(Continued)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			% of Consolidated Revenue or Total Assets (Note 3)
				Financial Statement Accounts	Amount	Payment Terms	
1	Titan Development and Construction Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	3	Other receivables from related parties	\$ 50,000	General transaction conditions	0.09%
2	Wan Da Tong Enterprise Co., Ltd.	Radium Life Tech Co., Ltd.	2	Property, plant and equipment	121,130	General transaction conditions	0.22%
2	Wan Da Tong Enterprise Co., Ltd.	Titan Development and Construction Co., Ltd.	3	Property, plant and equipment	106,002	General transaction conditions	0.19%
2	Wan Da Tong Enterprise Co., Ltd.	Jing-Jan Retail Business Co., Ltd.	3	Rental income	498,296	General transaction conditions	7.96%
2	Wan Da Tong Enterprise Co., Ltd.	Radium Far East Co., Ltd.	3	Other payables to related parties	60,000	General transaction conditions	0.11%
3	Rih Siang Property Management Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	3	Other receivables from related parties	160,000	General transaction conditions	0.29%
3	Rih Siang Property Management Co., Ltd.	Titan Development and Construction Co., Ltd.	3	Completed Investment Properties	274,809	General transaction conditions	0.49%
4	Ji Shun Life Tech Co., Ltd.	Jing-Jan Investment Holdings Co., Ltd.	3	Other payables to related parties	50,000	General transaction conditions	0.09%
4	Ji Shun Life Tech Co., Ltd.	Li Chiang Development Co., Ltd.	3	Other payables to related parties	60,000	General transaction conditions	0.11%
5	Radium-Kagaya International Hotel Co., Ltd.	Radium Life Tech Co., Ltd.	2	Lease liabilities to related parties	140,876	General transaction conditions	0.25%
6	Jing-Jan Retail Business Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	3	Lease liabilities to related parties	3,323,026	General transaction conditions	5.94%
6	Jing-Jan Retail Business Co., Ltd.	Radium Life Tech Co., Ltd.	2	Investment properties	225,402	General transaction conditions	0.40%
6	Jing-Jan Retail Business Co., Ltd.	Radium Life Tech Co., Ltd.	2	Property, plant and equipment	902,144	General transaction conditions	1.61%
7	Ding Sheng Green Energy Technology Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	3	Operating revenue	123,771	General transaction conditions	1.98%

Note 1: The information on transactions between the parent company and its subsidiaries shall be indicated in the No. column as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded sequentially beginning from "1" by each individual company.

Note 2: There are three types of relations with the transaction company, just enter the code:

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

Note 3: Regarding the proportion of transaction amount to the total consolidated revenue or assets, if it is recognized in the balance sheet account, it is shown with the ending balance as a percentage of the total consolidated assets; if it is in the profit or loss account, it is shown with the cumulative amount throughout the period as a percentage of the consolidated total revenue.

Note 4: Significant transactions between the parent and subsidiaries with an amount of \$50 million or more are listed in this table.

Note 5: The transactions above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Table 8

Radium Life Tech Co., Ltd. and Subsidiaries

Information on Investees

For the Year ended December 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of profit (loss)	Note
				December 31, 2021	December 31, 2020	Number of Shares (in Thousands)	Percentage (%)	Carrying Amount			
Radium Life Tech Co., Ltd.	Ji Shun Life Tech Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	\$ 318,000	\$ 318,000	70,000	100.00%	\$ 843,480	\$ 126,957	\$ 126,988	Subsidiary (Note 1)
Radium Life Tech Co., Ltd.	Li Chiang Development Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	1,000,000	1,000,000	100,000	100.00%	476,190	(43,990)	(43,990)	Subsidiary (Note 1)
Radium Life Tech Co., Ltd.	Rih Yao Development Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	950,000	950,000	95,000	100.00%	683,172	(65,286)	(65,286)	Subsidiary (Note 1)
Radium Life Tech Co., Ltd.	Radium Far East Co., Ltd.	5F-2, No. 270, Section 4, Zhongxiao East Road, Taipei City	Housing and Building Development and Rental	1,113,455	1,113,455	38,773	99.93%	603,597	(18,993)	(18,979)	Subsidiary (Notes 1 & 2)
Radium Life Tech Co., Ltd.	Titan Development and Construction Co., Ltd.	5F-2, No. 270, Section 4, Zhongxiao East Road, Taipei City	Civil engineering and construction	968,650	968,650	120,000	100.00%	1,178,354	34,315	38,306	Subsidiary (Note 1)
Radium Life Tech Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Development of the T9 land in the dedicated area of the Taipei Main Station	1,248,666	1,248,666	148,000	28.35%	1,764,916	219,934	62,355	Subsidiary (Notes 1 & 3)
Radium Life Tech Co., Ltd.	Radium-Kagaya International Hotel Co., Ltd.	No. 236, Guangming Road, Beitou District, Taipei City, Taiwan	Hot Spring Hotel	953,363	953,363	15,000	100.00%	114,459	(755)	(448)	Subsidiary (Note 1)
Radium Life Tech Co., Ltd.	Zhao Yao Enterprise Co., Ltd.	3F-11F, No. 23, Lane 27, Section 4, Ren'ai Road, Daan District, Taipei City; No. 25, 3F-11F, No. 25, Lane 27, Section 4, Ren'ai Road, Daan District, Taipei City; 2F-14F, No. 237 Lane 27, Section 4, Ren'ai Road, Daan District, Taipei City	Housing and Building Development and Rental	2,350,000	2,350,000	235,000	100.00%	1,422,078	(41,701)	(41,701)	Subsidiary (Note 1)
Radium Life Tech Co., Ltd.	CLEVER BASE INVESTMENTS LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Asia, Samoa	Investment	-	USD 2,080	-	-	-	(324)	(324)	Subsidiary (Notes 1 & 7)
Radium Life Tech Co., Ltd.	Xin Xiu Ge Hotel Co., Ltd.	No. 238, Guangming Road, Beitou District, Taipei City, Taiwan	Hotel	421,500	421,500	125	100.00%	320,127	(3,791)	(4,296)	Subsidiary (Note 1)
Radium Life Tech Co., Ltd.	Jing-Jan Investment Holdings Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Investment	3,039,339	3,039,339	91,590	61.06%	3,582,214	200,954	153,286	Subsidiary (Notes 1 & 10)
Radium Life Tech Co., Ltd.	Rih Siang Property Management Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	2,300,000	2,300,000	230,000	100.00%	1,918,905	(13,395)	(13,394)	Subsidiary (Note 1)
Radium Life Tech Co., Ltd.	Rih Zuan Green Energy Technology Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Taipei City	Energy Technical Services	40,500	40,500	4,050	90.00%	44,650	2,678	2,561	Subsidiary (Note 1)
Radium Life Tech Co., Ltd.	Wan Tong Digital Technology Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Taipei City	Retail	-	27,000	-	-	-	(1,202)	(1,081)	Subsidiary (Notes 1 & 8)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of profit (loss)	Note
				December 31, 2021	December 31, 2020	Number of Shares (in Thousands)	Percentage (%)	Carrying Amount			
Radium Life Tech Co., Ltd.	Rih Ding Circular Economy Investment Holding Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Datong District, Taipei City	Investment	\$ 5,547,533	\$ 5,097,197	\$ 68,300	100.00%	\$ 6,299,866	\$ 690,555	\$ 690,555	Subsidiary (Note 1)
Radium Life Tech Co., Ltd.	Jing Ding Green Energy Technology Co., Ltd.	No. 76, Pinghe 1st Street, Changhua City, Changhua County	Energy Technical Services	7,400	7,400	740	37.00%	6,871	(888)	(329)	Subsidiary (Note 1)
Titan Development and Construction Co., Ltd.	Jing-Jan Investment Holdings Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Investment	1,832,017	1,832,017	55,195	36.80%	2,085,140	200,954	73,942	Subsidiary (Notes 1 & 11)
Ji Shun Life Tech Co., Ltd.	Ji Sheng Zih Chan Development Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Housing and Building Development and Rental	87,000	87,000	8,700	100.00%	81,149	(562)	(562)	Sub-subsidiary (Note 1)
Ji Shun Life Tech Co., Ltd.	Jing-Yang Apartment Building Management and Maintenance Co., Ltd.	10F-1, No. 106, Section 6, Roosevelt Road, Wenshan District, Taipei City	Condominium buildings management service	9,800	9,800	980	49.00%	13,034	6,559	3,214	(Note 1)
Jing-Jan Investment Holdings Co., Ltd.	Jing-Jan Retail Business Co., Ltd.	No. 1, Section 1, Chengde Road, Taipei City	Shopping mall business	509,201	509,201	45,001	75.00%	762,309	55,979	41,988	Sub-subsidiary (Note 1)
Jing-Jan Investment Holdings Co., Ltd.	Wan Da Tong Enterprise Co., Ltd.	13F, No. 209, Section 1, Civic Boulevard, Taipei City	Development of the T9 land in the dedicated area of the Taipei Main Station	4,295,288	4,295,288	374,015	71.65%	4,460,536	219,934	157,580	Subsidiary (Note 1)
Jing-Jan Retail Business Co., Ltd.	Jing-Jan Digital Square Co., Ltd.	4F No. 1, Section 1, Chengde Road, Datong District, Taipei City	Retail	50,000	50,000	2,000	100.00%	18,991	1,860	1,860	Sub-subsidiary (Note 1)
CLEVER BASE INVESTMENTS LIMITED	Rih Ding Investments Limited	15/F., BOC Group Life Assurance Tower, 136 Des Voeux Road Central, Central, Hong Kong	Investment	-	USD 30	-	-	-	-	-	Sub-subsidiary (Notes 1 & 6)
Radium Far East Co., Ltd.	PritBiotech Co., Ltd.	3F-1, No.50, Lane 462, Gongyi Road, Zhunan Town, Miaoli County	Biotechnology and cosmetic manufacturing	90,000	90,000	9,000	37.31%	69,360	(24,664)	(9,202)	Sub-subsidiary (Notes 1 & 9)
Rih Ding Circular Economy Investment Holding Co., Ltd.	Rih Ding Water Enterprise Co., Ltd.	No. 177, Section 1, Fuhua Road, Luzhu District, Taoyuan City	Investment in and construction and operation of public works construction	5,027,699	5,027,699	520,740	100.00%	6,229,105	682,000	682,000	Sub-subsidiary (Note 1)
Rih Ding Circular Economy Investment Holding Co., Ltd.	Ding Sheng Green Energy Technology Co., Ltd.	14F, No. 209, Section 1, Civic Boulevard, Taipei City	Energy Technical Services	49,913	49,913	5,000	100.00%	61,909	9,434	9,434	Sub-subsidiary (Note 1)
Ding Sheng Green Energy Technology Co., Ltd.	Jing Ding Green Energy Technology Co., Ltd.	No. 76, Pinghe 1st Street, Changhua City, Changhua County	Energy Technical Services	6,600	6,600	660	33.00%	6,128	(888)	(293)	Subsidiary (Note 1)

Note 1: It is calculated based on the investees' financial statements audited by CPAs for the same period and the Company's shareholding ratio.

Note 2: The accumulated impairment of \$130,802 thousand has not yet been deducted from the carrying amount.

Note 3: The unrealized gains between associates of \$158,972 thousand has not yet been deducted from the carrying amount.

Note 4: Information on investees in mainland China is detailed in Table 9.

Note 5: Except for Jing-Yang Apartment Building Management and Maintenance Co., Ltd., the securities held above have been written off in accordance with regulations when the consolidated financial statements were prepared.

Note 6: The deregistration of Rih-Ding Investments Limited was completed on February 25, 2021.

Note 7: The deregistration of Clever Base was completed on June 8, 2021.

Note 8: Wan Tong Digital registered for its dissolution on April 26, 2021 and obtained a letter of liquidation letter from the court on January 25, 2022.

Note 9: The accumulated impairment of \$12,460 thousand has not yet been deducted from the carrying amount.

Note 10: The unrealized gains between associates of \$1,127,546 thousand has not yet been deducted from the carrying amount.

Note 11: The unrealized gains between associates of \$139,118 thousand has not yet been deducted from the carrying amount.

Table 9

Radium Life Tech Co., Ltd. and Subsidiaries

Information on investments in Mainland China

For the Year ended December 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-In Capital	Method of Investments	Accumulated Outward Remittance for Investment from Taiwan as of January 1,2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December31,2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gains (Losses) (Note 2)	Carrying Amount as of December31,2021	Accumulated Repatriation of Investment Income as of December31,2021
					Outward	Inward						
LiJiang Business Consulting (Shanghai) Limited.	Business and Corporate Management Consulting Services	\$ 52,288 (US\$1,700,000)	Note 1(1)	\$ 52,288 (US\$1,700,000)	\$ -	\$ -	\$ 52,288 (US\$1,700,000)	(\$ 439)	100%	(\$ 439) (2)B	\$ 2,497	\$ -

Accumulated Outward Remittance for Investments in Mainland China as of December 31,2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
NT\$56,848 (US\$1,840,000) (Note 6)	NT\$51,208 (US\$1,850,000) (Note 4)	\$ 6,699,800 (Note 5)

Note 1: Investment methods are divided into the following three types, just enter the code:

- (1) Direct investment in mainland China.
- (2) Indirect investment in mainland China through third-region companies.
- (3) Other methods.

Note 2: In the field "Investment Gains/Losses Recognized for Current Period"

- (1) If it is under preparation and there is no investment gain or loss, it shall be indicated.
- (2) The recognition basis of investment gains and losses is divided into the following three types, which shall be indicated.
 - A. Financial statements audited and attested by any international accounting firms with partnership with any accounting firm of the Republic of China.
 - B. Financial statements audited and attested by CPAs appointed by the parent company in Taiwan.
 - C. Others.

Note 3: The relevant figures in this table shall be presented in New Taiwan dollars.

Note 4: The exchange rate is based on the average spot buying/selling exchange rate of the Bank of Taiwan on December 31, 2021. In addition, the limit approved by the Investment Commission is in foreign currency, and the investment amount had not exceeded the limit as of the current period.

Note 5: It is 60% of the net equity of the Company.

Note 6: The deregistration of Wan-Da-Tong (Xiamen) Enterprise Co., Ltd. was completed on November 22, 2019, and its registered capital of US\$140,000 was not remitted back to Taiwan due to losses.

Table 10

Radium Life Tech Co., Ltd.

Information on Major Shareholders

December 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Rong Shian Lin	110,524,167	12.27%
CTBC Bank Co., Ltd. In custody for Verivia PCC	84,031,547	9.33%
Golden Century Co., Ltd.	58,223,051	6.46%
Ding-Sheng Digital Life Co., Ltd.	49,260,000	5.47%

Note 1: The major shareholders in this table are shareholders holding at least 5% of the ordinary and preference shares (including treasury shares) with dematerialized registration and delivery completed on the last business day of the quarter calculated by the Taiwan Depository & Clearing Corporation. The share capital recorded in the Company's consolidated financial statements and the number of shares actually delivered by the Company with the dematerialized registration completed may differ due to different calculation bases.

Note 2: For the information above, where a shareholder transfers the shares to a trust, the trustor's individual account opened by the trustee shall be disclosed. As for the insider declaration of the ownership percentage over 10% in accordance with the Securities and Exchange Act, including the shares on hand and those being put in the trust, and the right to use the trust asset, please refer to the declaration information on MOPS.