Stock Code: 2404

UNITED INTEGRATED SERVICES CO., LTD.

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2021

Annual Report

Printed on April 15, 2022

The contents of this annual report and related information of the Company can be found on the following websites:

Market Observation Post System: http:// mops.twse.com.tw

Website of the Company: http://www.uisco.com.tw

I. Spokesperson of the Company | **Deputy Spokesperson**

Spokesperson of the Company	Deputy Spokesperson
Name: Hsu Chun Yuan	Name: Limei Pan
Title: Chief Business Officer	Title: Accounting Supervisor
Tel: (02)2917-4060	Tel: (02) 2917-4060
E-mail: tonyhsu@uisco.com.tw	E-mail: phy@uisco.com.tw

II. Address and telephone number of the head office and the Construction Office

1.	Address of the head office	:	6th Floor, No. 297, Section 6, Roosevelt Road, Taipei City
	Tel.	:	(02) 8663-6103
2.	Xindian Business Center	:	5th Floor, No. 3, Lane 7, Baoqiao Road, Xindian District, New Taipei City
	Tel.	:	(02) 2917-4060
3.	Hsinchu Construction Office	:	No. 43, Alley 19, Lane 452, Baoshan Road, Hsinchu City
	Tel.	:	(03) 578-2125
4.	Taichung Construction Office	:	No. 168, Anhe East Road, Fuheli 2 Neighborhood, Xitun District, Taichung City
	Tel.	:	(04) 2359-9990
5.	Tainan Construction Office	:	No. 523 Xingnong Road, Shanhua District, Tainan City
	Tel.	:	(06) 581-0129

III. Stock transfer agency

Name: Taishin Securities Co., Ltd. Shareholder Service Dept.
Address: B1, No. 96, Section 1, Jianguo North Road, Zhongshan District, Taipei City
URL: http://www.tssco.com.tw
Tel: (02) 2504-8125

IV. Certified Public Accountant in the most recent year

CPA names: Tsunglin Li, Fu-jen Chen
Firm name: KPMG Taiwan
Address: 68th Floor, No. 7, Section 5, Xinyi Road, Taipei City
URL: http://www.kpmg.com.tw
Tel: (02) 8101-6666

V. Name of offshore stock exchange and information inquiry method: None.

VI. Company website: http://www.uisco.com.tw

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To Shareholders

Dear Shareholders, Ladies, and Gentlemen:

With the active efforts of all colleagues and the support of all shareholders, the Company's overall consolidated operating results in 2021 attained over NT$25.6 billion in consolidated operating revenue and net income before tax reached more than NT$3.555 billion.

2022 operational outlook

(I) Business goals

Revenue derived from the China market in 2021 showed stunning growth of 31.6% over the 2020 level, accounting for 11.1% of total revenue compared with 6% in 2020. Revenue in the Taiwan market in 2020 grew substantially, mainly due to recognition of handsome operating revenue contributed by Micron Technology, one of the Company's customers. Impacted by the COVID-19 pandemic, revenue in the Taiwan market in 2021 declined from the 2020 level, though still remained at its normal standard.

Looking into 2022, the Taiwan market will remain heated, mainly due to that investment plans continue and that major customers still enjoy high market demand. 2022 will be a bright year, in that the U.S. market has seen orders placed with UNITED INTEGRATED SERVICES (USA) CORP., the Company's subsidiary factory fully owned through capital injection, and that the China market has also seen some progress. To sum up, the year 2022 is likely to be an optimistic year, and the Company's performance in 2023 is also anticipated.

(II) Business Policy and Development Strategy

For the purpose of the Company's long-term management and development, the Company will strengthen the internal management and also upgrade its competitiveness in cost, quality and technology significantly. Meanwhile, the Company will train more staff in the cross-strait and the U.S. and introduce related system elites. Especially, the Company needs to strengthen its business in Mainland China and in the U.S. where a subsidiary was established to prepare for the business growth. At present, in the Company's professional field, although the revenue and competitiveness have been ahead of the peers, the Company will strive to enhance its operation this year and improve the construction method to reduce costs and increase profitability in order to increase market share, keep the competitors in the distance, and maintain the leadership. In terms of products, the wireless security monitoring system department has achieved considerably, and continues research and development and business development, which is likely to improve the Company's value.

(III) External competition, regulatory environment, and overall business environment impact

In the Taiwan market, with its year-by-year increase in market shares in the Taiwan high-tech industry, the Company is living at a time where the only one it needs to compete with is itself. In the China market, competition is more fierce, with competitors coming from China, Taiwan, and other countries. Despite this, the China market is relatively larger. The Company is a top-tier brand in its professional domain and so is more than capable of competing. Although the Singapore market performed unsatisfactorily, the performance of the Company's newly established subsidiary in the U.S. is worth looking forward to. It's a rare opportunity for a Taiwanese factory to tap into the U.S. market.

The performance of an enterprise closely correlates with current events. Business faces some predicaments (e.g., soaring raw materials price) that are effected by the COVID-19 pandemic, the post-pandemic era, the current geopolitical tension, and continual interest conflict. In addition, the ever decreasing birth rates have caused labor shortages. How to survive a "new era" characterized by high inflation and shortage of raw materials and labors while pursuing sustainable operations is the issue that the Company greatly values.

UNITED INTEGRATED SERVICES CO., LTD.

Chairperson Belle Lee

I. Business report

(I) The 2021 business plan implementation results

1. Business overview

The Company's annual consolidated operating revenue reached NT$25,606,141 thousand, and the consolidated net income before tax reached NT$3,555,314 thousand through the active efforts of all colleagues.

2. Operational outlook

Current goal

◎ Strengthen professional investment and improve engineering quality, safety management, and customer service to become a world-class company.
◎ Actively recruit and cultivate talents, expand production capacity, and speed up the deployment of management succession.
◎ Reduce costs and increase efficiency to increase competitiveness.
◎ Strengthen the deployment of water and air pollution prevention and energy conservation.

◎ Implementation of ESG programs.

(II) Financial income and expense and profitability analysis

The 2021 financial income and expense and profitability analysis

1. Financial structure analysis
   Liability to asset ratio = 58.88%
   Long-tern fund to fixed assets ratio = 793.93%
2. Solvency analysis
   Current ratio (%) = 143.61%
   Quick ratio (%) =117.94%
3. Profitability analysis
   Ratio of return on total assets = 11.14%
   Ratio of return on shareholders' equity = 28.32%
   Profit margin = 11.01%
   Earnings per share = 14.53

(III) Research and development overview

1. Wireless home security system development

The mass production of this wireless product has been completed with orders received from customers in the home security industry. This product complies with international standards (WIFI and ZIGBEE) and passes international certification; also, it is safe and reliable with a number of design patents received. The Company will continue to research and develop innovative products.

◎Radar detects an elderly in case of a fall

Teaming up with National Taiwan University focusing mmWave 60GHz on being easily installed toward fall detection and humanoid positioning.

◎180-degree penetration and displacement detector

Volume production for wireless conversion boxes in coordination with major international door lock manufacturers to be connected to United Integrated Services (UIS) host for cloud control. We entered volume production and shipment the present month.

2. Shock-resistant cleanroom ceiling system

The development of this ceiling system is mainly cleanrooms in the high-tech industry. When a strong earthquake occurs, the ceiling system is not damaged. The design of this product has met the US AC156 standards with strong earthquake resistance >0.9g and passed the test of the National Earthquake Center and the relevant certifications of primary customers.

3. Efficient energy-saving air scrubber

The efficient energy-saving air scrubber is mainly developed for the cleanroom air intake system of high-tech industry. The low liquid-gas ratio and high efficiency of >95% or <1ppb scrubbing efficiency is with the certification of major customers.

II. 2022 Business Plan Summary

(I) Management policy

For the purpose of the Company's long-term management and development, the Company will strengthen the internal management and also upgrade its competitiveness in cost, quality and technology significantly. Meanwhile, the Company will train more staff in the cross-strait and the U.S. and introduce related system elites. Especially, the Company needs to strengthen its business in Mainland China and in the U.S. where a subsidiary was established to prepare for the business growth. At present, in the Company’s professional field, although the revenue and competitiveness have been ahead of the peers, the Company will strive to enhance its operation this year and improve the construction method to reduce costs and increase profitability in order to increase market share, keep the competitors in the distance, and maintain the leadership. In terms of products, the wireless security monitoring system department has achieved considerably, and continues research and development and business development, which is likely to improve the Company’s value.

(II) Business Goals

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(III) Important Production and Marketing Policies

Here at the Company, we, as always, have been focusing on the high-tech plant business for more than two decades. Amidst the cutthroat competition within the counterpart firms in the same industry, we have come out as relatively more outstanding. Further coupled with the rapid boom in the high-tech industry in recent years, our Company has been growing at a satisfactory pace. Although there are positive and negative aspects of business overconcentration, worsening inflation as well as shortages in work and materials make it still important to focus on the development of the industry and on maintaining relationships with customers and subcontractors.

Two. Company profile

I. Date of establishment: September 13, 1982

II. Company history:

The Company was incorporated on September 13, 1982. The Company was founded as United Technology Engineering Co., Ltd., with a capital stock of NT$5.1 million. It is engaged in the construction and installation of power transmission and distribution, electrical machinery, electrical appliances, computers, and communication equipment.

Based on the business philosophy of pursuing perfection and refinement, in just a few years, the Company has become the finest computer engineering professional group in Taiwan with eminent achievement in performance and professional technology achieved. In addition, the business scope has gradually expanded to large hydropower air-conditioning and plant construction engineering with a good reputation of trustworthy, service, and professional quality established through these large-scale projects. The business continues to grow. The Company was named "United Information Co. Ltd." in March 1990. In addition, the merger process with Xinlian System Co., Ltd. was completed in November 1990, becoming the one and only modern technology system integration company in Taiwan for integrated large-scale electrical/mechanical engineering, cleanroom, computer, communication, and control systems. The pragmatic management team, perfect organization planning, and abundant professional talents make the Company's business continue to grow. The Company has become the first professional organization in the country for the integration of domestic semiconductor factories and the integration of computer communication and control systems.

The Company has based development on the technology and professionalism. It advertises the spirit of first-class technology and service. It has laid a good business foundation over more than a decade and has more than 800 employees on the payroll who are mostly professional technical personnel in related fields. The Company was renamed as "UNITED INTEGRATED SERVICES CO., LTD." in May 2002 and merged Taichun Technology Company in July 2003 with a capital stock of NT$1,905,866,980 currently. The Company's consolidated turnover reached NT$25.6 billion with a stable profitability maintained. The Company is now steadily moving towards more ambitious operational goals.

1. The chronicles of the Company:
   - September 1982: Former United Technology Engineering Co., Ltd. was established with a capital stock of NT$5.1 million. The Company, in the early days of its establishment, was mainly engaged in the computer engineering business.
   - April 1984: The office at Sec. 4, Nanjing East Road, Taipei City was acquired.
   - August 1985: A capital increase for an amount of NT$10 million and the capital amounted to NT$15.1 million in order to enrich operating funds.
   - August 1987: A capital increase for an amount of NT$40 million and the capital amounted to NT$55.1 million in order to support the expansion of business operation.
   - July 1988: A capital increase for an amount of NT$30 million and the capital amounted to NT$85.1 million in order to increase the business of refrigeration, air-conditioning engineering, and transportation system engineering, buildings, factories, and environmental monitoring systems engineering.
   - November 1988: Kaohsiung office was acquired to expand business and services in Southern Taiwan.
   - September 1989: Signed a contract with Winbond Electronics Corp. for the utilities and air conditioning project of VLSI Plant I, which was the first large contract of the Company engaging in the semiconductor plant construction project; and subsequently signed contracts with semiconductor plants in the Science Park, such as, Macronix International Co., Ltd., Acer Semiconductor Mfg. Inc., and Taiwan Semiconductor Manufacturing Company (TSMC) , which helped lay a good foundation for the Company's integration with the semiconductor industry later.
   - December 1989: The Office at the 1F, Baoqiao Road, Xindian was acquired.
   - March 1990: The Company was renamed as "United Information Co. Ltd."
   - July 1990: The office at Fuxing North Road, Taipei City was acquired as the business place of the sales department.
   - November 1990: The Office at the 5F, Baoqiao Road, Xindian was acquired.
   - November 1990: Merged Xinlian System Co., Ltd. and the Company's capital was increased to NT$140.6 million, and the business scope was extended to large-scale electrical/mechanical engineering and system integration projects. In terms of system integration services, the Company gained further developmental strength with the expertise and strength of the two companies.
   - July 1991: Signed a contract with Winbond Electronics Corp. for the hydropower air

conditioning control and auxiliary equipment of the semiconductor Plant II new construction project, which was the largest semiconductor factory project undertaken by the Company over the years.

- August 1991: Signed a contract with the Department of Urban Development, Taiwan Provincial Government for the instrument control system construction project Stage 1 of Bali Wastewater Treatment Plant, which was the largest instrument control system project undertaken by domestic manufacturers; also, enhanced the Company’s design and construction capabilities in large-scale instrument control systems.
- August 1991: Signed a contract with the Railway Construction Office, MOTC for the telecom engineering of Taipei Metropolitan Railway Underground Soong-Yen Project, which was the first tunnel communication project undertaken by domestic manufacturer.
- November 1991: A capital increase for an amount of NT$30.4 million and the total capital of the Company amounted to NT$171 million.
- August 1993: Signed a contract with the Freeway Bureau, MOTC for the traffic control system of the Xizhi-Wugu freeway expansion, which was the first large-scale traffic control system project independently built by domestic manufacturer.
- April 1994: Signed a contract with TSMC for the electrical/mechanical engineering system integration project of Plant III, which was the largest semiconductor plant construction project undertaken by the Company over the years.
- September 1994: Purchased the products and equipment of Chaoming Technology Co., Ltd., expanded the scale of product business, and increased the domestic and international sales of uninterruptible power system.
- March 1995: Acquired the real property at 1F, No. 1, Lane 7, Baoqiao Road, Xindian for the construction of the plant at Baoqiao Road, Xindian in order to expand the UPS production capacity to reach NT$600 million per year.
- March 1995: Signed a contract with Taiwan Tobacco and Liquor Corporation for the instrument control system project of Chiayi Winery Stage 2, which again helped demonstrate the Company’s capabilities in large-scale instrument control systems.
- May 1995: The capitalization of cash and earnings was approved by the Securities and Exchange Commission; also, the Company was approved as a public offering company.
- May 1995: Signed a contract with China Commercial Bank for its utility and computer connection system inside the information building at Fuzhou Street, which was the largest utility engineering project in banking industry undertaken by the Company.
- August 1995: The capitalization of cash and earnings was completed for an amount of NT$251.3 million and the Company’s capital amounted to NT$422.3 million.
- November 1995: Signed a contract with Acer Construction Co., Ltd. for the utility and firefighting project of Powerchip Semiconductor Factory, which was a project of foreign company undertaken by the Company again.
- January 1996: Signed a contract with TSMC for the utilities and air conditioning project of Plant IV after the successful completion of the engineering project of Plant III, which showed the confidence of customers in the Company.
- January 1996: Signed a contract with TAKASAGO THERMAL ENGINEERING CO., LTD. again for the CUB project of Winbond Electronics Co., Ltd. It indicated that the service and capabilities of the Company had been well recognized by foreign companies.
- January 1996: Signed a contract with Macronix International Co., Ltd. again for the central air conditioning project of its Plant II to continue the pleasant cooperation experience.
- February 1996: Signed a contract with Showa Denko HD Trace Corp. for the cleanroom construction project, which was a new era for the domestic manufacturer to complete the construction of cleanroom independently.
- April 1996: Signed a contract with Showa Denko HD Trace Corp. again for the construction of cleanroom Stage 2.
- June 1996: At the same time, signed a contract with Showa Denko HD Trace Corp. for the construction of the utilities and air conditioning in the cleanroom and entire system integration project.

- August 1996: Signed a contract with TECO Co., LTD. for the plant construction of SHIN-ETSU HANDOTAI TAIWAN CO., LTD.
- August 1996: Signed a contract with Winbond Electronics Corp. again for the utilities and air conditioning project of Plant IV.
- September 1996: The capitalization of earnings was completed and the capital amounted to NT$506.76 million.
- March 1997: Due to the booming development of telecommunications industry in Taiwan, the Company had also engaged in the station construction of Taiwan Mobile, and had received a telecom station construction project for an amount of around NT$400 million.
- April 1997: Signed a contract with Macronix International Co., Ltd. again for the MEP project in the basement of the headquarters building.
- May 1997: Signed a contract with Commonwealth again for the AMPI cleanroom construction project.
- May 1997: Completed the capitalization of earnings and the capital amounted to NT$608,111,100.
- August 1997: Signed a contract with Taikisha Ltd. for the BP-8.BP-9 electrical/mechanical engineering project.
- September 1997: Signed a contract with WSMC for the installation of the 8’ wafer CUB, MEP1, and MEP2 electrical/mechanical engineering, and cooperated with Huaxin Engineering Co., Ltd. to complete the contract.
- September 1997: Signed a contract with Analog Technology Inc. for the construction of a new plant.
- January 1998: Signed a contract with Macronix International Co., Ltd. for the construction of the new head office building.
- February 1998: The Company’s stock was officially traded at Taipei Exchange.
- March 1998: Signed a contract with T&T Consulting Services, Inc. for the construction of the utilities and air conditioning project Stage 2.
- May 1998: Signed a contract with TSMC for the construction of Plant 6 in Tainan Science Park.
- May 1998: Completed the capitalization of earnings and employee bonus and the capital amounted to NT$769,297,420.
- June 1998: The Product Division officially became a subsidiary of the Company, Ablerex Electronics Co., Ltd.
- August 1998: Completed the capitalization of cash and the capital amounted to NT$899,297,420.
- October 1998: Signed a contract with Chi Mei Optoelectronics Corporation for the construction of a cleanroom.
- December 1998: Signed a contract with Chantek Electronic Co., Ltd. for the construction of Plant III.
- February 1999: Signed a contract with HannStar Display Corporation (HannStar) for the construction of the FAB factory cleanroom and the plant-wide electrical/mechanical engineering computer monitoring system integration project.
- December 1999: Signed a contract with Continental Engineering Corporation for the construction of Taipei Metro Rapid Transit System Engineering CD 550 project (utilities and Environmental Control Engineering).
- December 1999: Signed a contract with HannStar Display Corporation for the construction of FAB Plant II.
- February 2000: Signed a contract with T&T Consulting Services, Inc. for the construction of the MEP project of Longtan Plant II.
- February 2000: Signed a contract with Continental Engineering Corporation for the construction of Taipei Metro Rapid Transit System Project CD 550 (except for the utilities and environmental control projects).
- March 2000: Signed a contract with Quanta Display Inc. for the construction of the cleanroom at its Linkou Plant.
- April 2000: Traded at Taiwan Stock Exchange
- August 2000: Signed a contract with Global Communication Technology Corp. for the construction of a cleanroom.
- September 2000: Signed a contract with SEEDNet for the construction of its Neihu computer center.
- September 2000: Signed a contract with TSMC for the construction of TSMC FAB12 MEP project.

- October 2000: Signed a contract with TSMC for the construction of TSMC FAB14 MEP project.
- November 2000: Signed a contract with TSMC for the construction of TSMC Plant 14 cleanroom.
- February 2001: Signed a contract with HannStar Display Corporation for the construction of FAB II design change project.
- February 2001: Signed a contract with IQE PLC Inc. for the construction of the electrical/mechanical engineering project.
- May 2001: Signed a contract with Macronix International Co., Ltd. for the construction of the MXIC FAB3 MEP PROJECT.
- August 2001: Signed a contract with Episil Technologies Inc. for the construction of the electrical/mechanical engineering and cleanroom.
- October 2001: Signed a contract with Grace Semiconductor Co., Ltd. for the construction of the new plant in Shanghai.
- December 2001: Signed a contract with TSMC for the construction of the F12 MEP FOR OFFICE 1-6F project.
- December 2001: Signed a contract with Continental Engineering Corporation for the construction of the Taipei Metro Rapid Transit System CD315 communication system project.
- March 2002: Signed a contract with Quanta Display Inc. for the construction of Plant II.
- April 2002: Signed a contract with TSMC for the construction of TSMC 14 ME project.
- July 2002: Signed a contract with AU Optronics Corp. (AUO) for the construction of its LCA plant.
- July 2002: Signed a contract with AUO for the construction of the CATPRJECT project.
- August 2002: Signed a contract with TSMC for the construction of TSMC FAB12 MEP expansion project.
- August 2002: Signed a contract with TSMC for the construction of TSMC12 H/Q MEP&OFFICE MEP7-9F project.
- September 2002: Signed a contract with Chi Mei Optoelectronics Corporation for the construction of the FAB3 CF C/R project.
- October 2002: Signed a contract with AUO (Suzhou) for the construction of the FAB I CELL Plant.
- November 2002: Signed a contract with HannStar Display Corporation for the construction of HannStar FAB III Stage 1 cleanroom project.
- November 2002: Signed a contract with Quanta Display Inc. for the construction of the LINE III UTILITY PACKAGE.
- November 2002: Signed a contract with HannStar Display Corporation for the construction of HannStar FAB III MEP project.
- March 2003: Signed a contract with HannStar Display Corporation for the construction of HannStar FAB III 30K HOOK UP project.
- March 2003: Signed a contract with Coretronic Corporation for the construction of its Zhunan Plant Stage 2.
- April 2003: Signed a contract with HannStar Display Corporation for the construction of its FAB3 color Filter cleanroom project.
- June 2003: Signed a contract with TSMC for the construction of TSM12 SUPPORT 1F C/R project.
- August 2003: Signed a contract with HannStar Display Corporation for the construction of its FAB3 color Filter project.
- August 2003: Signed a contract with HannStar Display Corporation for the construction of its FAB3 color Filter project.
- November 2003: Signed a contract with HannStar Display Corporation for the construction of its C/R CELL A LINE project of Plant III.
- November 2003: Signed a contract with HannStar Display Corporation for the construction of its FAB project of Nanjing Plant III.
- December 2003: Signed a contract with HannStar Display Corporation for the construction of PHASE II HOOK UP project of HanStar Plant III.
- December 2003: Signed a contract with TSMC for the construction of TSM14 HOOK UP3K Turn-key Package.
- January 2004: Signed a contract with Quanta Display Inc. for the construction of Dawei QDS LCM Fab F3 project.
- January 2004: Signed a contract with Chi Mei Optoelectronics Corporation for the construction of its FAB4 plant LCD/CR project.

- January 2004: Signed a contract with AUO for the construction of its Tango M10 C/R project.
- February 2004: Signed a contract with HannStar Display Corporation for the construction of its FAB3 PHASE project of Plant III.
- March 2004: Signed a contract with Quanta Display Inc. for the construction of its QDI's TFT-LCD Fab Line3 Project.
- July 2004: Signed a contract with HannStar Display Corporation for the construction of its FAB IV TFT-LCD project.
- July 2004: Signed a contract with ProMOS Technologies Inc. (ProMOS) for the construction of its FAB III MEP project.
- September 2004: Signed a contract with AUO for the construction of its Lephant project of Taichung Plant Stage 1.
- September 2004: Signed a contract with Quanta Display Inc. for the construction of its QDI LINEII 75K expansion project.
- December 2004: Signed a contract with Winbond Electronics Co., Ltd. for the construction of the cleanroom of the plant in Central Taiwan Science Park.
- January 2005: Signed a contract with Formosa Petrochemical Corporation for the construction of North-South Instrument and Power Turnkey Project of No. 6 Naphtha Cracker.
- March 2005: Signed a contract with ChipMOS Technologies (Shanghai) Inc. for the construction of its electrical and mechanical renovation project.
- October 2005: Signed a contract with Chi Mei Optoelectronics Corporation for the construction of the CLEAN ROOM PACKAGE of Plant V.
- November 2005: Signed a contract with ChipMOS for the construction of its 1.2.4F electrical and mechanical engineering, air conditioning, and renovation project of Chubei Plant.
- December 2005: Signed a contract with ChipMOS for the construction of its T-B building in Southern Taiwan Science Park.
- January 2006: Signed a contract with AUO for the construction of its Taichung B11 cleanroom project.
- February 2006: Signed a contract with Chi Mei Optoelectronics Corporation for the construction of its CMO CLEANROOM PROJECT (Stage 1 + Stage 2).
- April 2006: Signed a contract with Powerchip Semiconductor Inc. for the construction of its FAB 12M C/R reconstruction project.
- May 2006: Signed a contract with TSMC for the construction of its FAB14 41K HOOK UP ENGINEERING project.
- May 2006: Signed a contract with TSMC for the construction of its TAMC12 PHASE 3B PROJECT.
- June 2006: Signed a contract with ChipMOS for the construction of electrical and mechanical project of its T-B building.
- August 2006: Signed a contract with ProMOS Technologies Inc. for the construction of its FAB14 MEP M10 electrical and mechanical engineering project.
- October 2006: Signed a contract with Chi Mei Optoelectronics Corporation for the construction of its CMO FAB6 cleanroom project.
- October 2006: Signed a contract with Powerchip Semiconductor Inc. for the construction of its PSC 12C cleanroom project.
- October 2006: Signed a contract with TSMC for the construction of its FAB14 P3 MEP+FP PACKAGE.
- January 2007: Signed a contract with ChipMOS for the construction of its cleanroom electrical and mechanical project.
- February 2007: Signed a contract with ChipMOS for the construction of its cleanroom expansion project at 4F of Chubei Plant.
- April 2007: Signed a contract with TSMC for the construction of its F14 P2 61.3K HOOK UP project.
- July 2007: Signed a contract with Tripod Technology Corporation (Wuxi) for the construction of the cleanroom air conditioning and processing project of its PCB Plant V.
- July 2007: Signed a contract with Rexchip Electronics Corp. for the construction of its PHASE II main power line project of R1 Plant.
- August 2007: Signed a contract with Winbond Electronics Co., Ltd. for the construction of its FAB6 B cleanroom project.
- August 2007: Signed a contract with Rexchip Electronics Corp. for the construction of its FAB R1 PHASE II cleanroom project.

- August 2007: Signed a contract with TSMC (Shanghai) for the construction of its F10 P2 MEP PACKAGE.
- September 2007: Signed a contract with Century Technology (Shenzhen) Co., Ltd. for the construction of its cleanroom system of Shenzhen Plant 1.
- December 2007: Signed a contract with InfoVision Optoelectronics Co., Ltd. for the construction of its 110K main system project expansion.
- January 2008: Signed a contract with TSMC for the construction of its F14 P2 HOOK UP project.
- January 2008: Signed a contract with Yi-Chong Technology (Suzhou) for the construction of its utilities and air conditioning and factory system piping project.
- February 2008: Signed a contract with Century Technology (Shenzhen) Co., Ltd. for the construction of its purification system - H1 project of module plant 1.
- March 2008: Signed a contract with Century Technology (Shenzhen) Co., Ltd. for the construction of a general power project.
- March 2008: Signed a contract with AUO for the construction of its Taichung Plant M12 cleanroom project.
- March 2008: Signed a contract with Innolux Corporation for the construction of its T2 C/F cleanroom project.
- March 2008: Signed a contract with AUO for the construction of electrical and mechanical project of its Hsinchu DAWN plant.
- April 2008: Signed a contract with TSMC for the construction of its F12 P4 – MEP, FP, C/R, and VE projects.
- May 2008: Signed a contract with Century Technology (Shenzhen) Co., Ltd. for the construction of its craft production equipment pipeline project in K1 area.
- May 2008: Signed a contract with TSMC for the construction of its F12 P4 -PX PACKAGE.
- July 2008: Signed a contract with Jiangsu Best Company for the construction of thin film solar cell production project.
- July 2008: Signed a contract with Tatung Company for the construction of the L2 UP 120K project C/R modification engineering of Chunghwa Picture Tubes, Ltd.
- August 2008: Signed a contract with Rexchip Electronics Corp. for the construction of FAB R2 PCW, C/R, CHILLER PLANT and R2 power mainline projects.
- October 2008: The "Non-contact IR dry-eye diagnostic system" won the "Industry Innovation Achievement Award" from the Ministry of Economic Affairs in 2008.
- June 2009: Signed a contract with TAIWAN POLYSILICON CORPORATION for the construction of its PSS PROJECT C/R engineering.
- June 2009: Signed a contract with Inotera Semiconductor Inc. for the construction of its stacking process HOOK UP project.
- August 2009: Signed a contract with AUO for the construction of its power MEP project of AUO Chin-Shen Plant.
- September 2009: Signed a contract with AUO for the construction of AUO L8B MEP project.
- September 2009: Signed a contract with TSMC for the construction of F12 P4 MEP C/R ELE PACKAGE STAGE 2 project.
- December 2009: Signed a contract with TSMC for the construction of F14 AY CODE N65 82 machines installation project.
- December 2009: Signed a contract with AUO for the construction of AUO L8B M&E project of the new plant.
- January 2010 Signed a contract with TSMC for the construction of TSMC FAB 12 P5 project.
- January 2010 Signed a contract with TSMC for the construction of TSMC F14 P3 2010 N4&N65 HOOK UP project.
- April 2010 Signed a contract with TSMC for the construction of TSMC F14 P4 LEAROOM & CAS PACKAGE.
- April 2010 Signed a contract with TSMC for the construction of TSMC F14 MEP&FIRE PROTECTION&PX PACKAGE.
- April 2010 Signed a contract with TSMC for the construction of TSMC F14 P4 PX PACKAGE.
- May 2010 Signed a contract with TSMC for the construction of TSMC F14 N65 BK CODE 103 machines installation project.
- June 2010 Signed a contract with ChipMOS for the construction of its TB building 3F C/R expansion and TA building 2F C/R expansion.

- August 2010 Signed a contract with TSMC for the construction of TSMC 12 P5 EBO project.
- August 2010 Signed a contract with TSMC for the construction of TSMC 12 P2 HPM B1F CR project.
- August 2010 Signed a contract with ChipMOS for the construction of its 5F expansion of Chubei Plant.
- October 2010 Signed a contract with TSMC for the construction of TSMC F15 P1 MEP&PX PACKAGE project.
- October 2010 Signed a contract with TSMC for the construction of TSMC F14 P4 HOOK UP 180 Project.
- November 2010 Signed a contract with TSMC for the construction of TSMC SOLAR PROJECT PHASE 1 MEP PACKAGE.
- December 2010 Signed a contract with TSMC for the construction of TSMC F15P1 C/R WBS project.
- January 2011 AUO Singapore L4B CLEANROOM EXPANSION
- January 2011 Signed a contract with Qualcomm Taiwan Corporation for the construction of its new plant.
- February 2011 Signed a contract with TSMC for the construction of TSMC F14 P3 OFFICE 3F WAT C/R project.
- February 2011 AUO GRC MEP project
- March 2011 AUO Crystal Corp. Taichung Port Processing Export Zone Phase I Plant Electrical and Mechanical Engineering project
- April 2011 AUO Crystal Corp. Chung-Kong C/R construction project
- August 2011 TSMC F15 P2 MEP
- August 2011 TSMC F15 P2 CLEANROOM SYSTEM
- September 2011 The cancellation of the treasury stock for a capital decrease of NT$35,890,000 and the total pain-in capital of the Company amounted to NT$2,474,833,730.
- November 2011 TSMC F15 P6 C/R PACKAGE STAGE-1
- December 2011 The cancellation of the treasury stock for a capital decrease of NT$92,500,000 and the total pain-in capital of the Company amounted to NT$2,382,333,730.
- March 2012 TSMC F12 P6 C/R STAGE-2
- March 2012 TSMC F15 P2 LAYOUT project
- April 2012 TSMC F15 P3 MEP project
- May 2012 TSMC F15 P3 CLEANROOM project
- May 2012 TSMC F6 BUMPPING project
- May 2012 TSMC F12 P6 CCD EXPANSION-EDC2 F12 P4 SITE project
- June 2012 TSMC F12 P6 CCD EXPANSION-F8 DC1 project
- August 2012 TSMC F14 OFFICE TESTING CLEANROOM AND UTILITY PACKAGE
- September 2012 TSMC F15 P4 MEP Engineering Stage 1
- October 2012 TSMC F14 P5 MEP PACKAGE
- October 2012 TSMC F15 P4 CLEANROOM project
- October 2012 TSMC FAB14 P5 FAB ARER CLEAN ROOM project
- January 2013 TSMC F14 POWER HOOK UP project
- January 2013 TSMC F4 HOOK UP EXHAUST, CAP, FILTER project
- March 2013 TSMC F14 P6 PX PACKAGE
- April 2013 TSMC F14 P6 MEP PACKAGE
- April 2013 TSMC F14 P6 CLEAN ROOM PACKAGE
- November 2013 TSMC F14 P6 POWER HOOK UP addition engineering project
- August 2013 Universal Scientific Industrial (Shanghai) Co., Ltd. Production Plant 1&2F Cleanroom & Interior Decoration project
- October 2013 China Electronics Panda Crystal Technology Corporation (Nanjing) new cleanroom system improvement engineering (+10K) project
- September 2013 Universal Scientific Industrial (Shanghai) Co., Ltd. Production Plant 3F Cleanroom project
- January 2014 Taiwan Micron R2 25NM 75K CLEANROOM Project (STANGE 1+2)
- January 2014 TSMC F14 OFFIC TESTING C/R AND UTILITY PACKAGE
- February 2014 TSMC Xintec new plant electrical and mechanical and cleanroom installation engineering project

- April 2014 TSMC F14 P7 C/R
- June 2014 AUO (Singapore) L4B POWER MTM project
- September 2014 ChipMOS TB building 4F cleanroom construction
- October 2014 TSMC F12 P7 MEP PACKAGE
- November 2014 AUO L8B B21 P1 P2 P3 cleanroom expansion project
- November 2014 TSMC F12 P7 CLEAN ROOM PACKAGE
- February 2015 ASE Kaohsiung Plant K22 Plane Plant Construction project
- February 2015 Taiwan Micron FAB A2 Base Build Project
- January 2016 Winbond MEP+CR
- February 2016 TSMC F15 P6 MEP PACKAGE STAGE 1 (EQUIPMENT/LABOR/MATERIAL)
- March 2016 TSMC F15 P5 MEP PACKAGE (STAGE 1) (UPS)
- March 2016 TSMC F15 P6 CR SCAD -TEM- -additional engineering by foremen
- October 2016 Taiwan Micron A2 110S TOTAL GAS SYSTEM(MOR)
- November 2016 TSMC (Nanjing) CHINA CLEANROOM PACKAGE-EQ (STAGE 1)
- March 2017 TSMC F-12 P4 EUV MEP+CR project
- October 2017 SSMC Expansion project
- November 2017 Taiwan Micron -TCP new plant construction
- February 2018 SSMC plant new construction project-equipment procurement
- February 2018 Taiwan Micron F11 CUB-1B construction
- April 2018 TSMC F15P7 C/R PROJECT A
- April 2018 TSMC F18 P1 MEP-A PACKAGE
- April 2018 TSMC F18 P1 MEP-B PACKAGE
- April 2018 TSMC F18 P1 FIRE PACKAGE
- May 2018 TSMC F18 P1 C/R
- June 2018 Yangtze Memory Technology Corp (YMTC) National Memory Base Project (Phase 1) Equipment Pipeline Import equipment
- July 2018 Taiwan Micron Build up for MTB warehouse
- July 2018 Taiwan Micron A2 E100 expansion project
- July 2018 ASE Test, Inc. - ASE Technology Holding Co., Ltd., k22 6F TEST Plant Construction Project
- July 2018 TSMC-F18P1 EBO construction
- August 2018 IQE PLC Inc. 3F factory building new TURN-KEY project
- December 2018 Initiated a de-capitalization for an amount of NT$476,466,750 to bring the total capital stock to NT$1,905,866,980.
- December 2018 AUO Optoelectronics Huaya Plant (AUO FAB L3D/L5D) L3D IJP Project
- December 2018 TSMC F18 P2 MEP-A PACKAGE
- December 2018 TSMC F18 P2 MEP-B PACKAGE
- December 2018 TSMC F18 P2 FIRE PACKAGE
- December 2018 TSMC F18 P2 PCW PACKAGE
- December 2018 TSMC F18 P2 C/R PACKAGE
- February 2019 Advanced Wireless Semiconductor Company Phase II Plant Expansion Project (Buildings A, B, C, D, E, F) -Mechanical and Electrical Contracting Project
- March 2019 Taiwan Micron's Houli New Plant Overall Design Project
- July 2019 TSMC F15P7 C/R Project B
- July 2019 TSMC F15 P7 MEP PACKAGE B
- October 2019 TSMC F18 P3 MEP A PACKAGE
- October 2019 TSMC F18 P3 MEP B PACKAGE
- October 2019 TSMC F18 P3 FIRE PACKAGE
- November 2019 TSMC F18 P3 C/R
- January 2020 Yangtze Memory Technology Corporation (YMTC) (Phase I) Second-stage Project focusing on the Process Equipment Pipeline Purchase and Installation in Tender B Phase, for -Imported Equipment
- January 2020 TSMC F18 P3 EBO CR PACKAGE
- April 2020 Advanced Wireless Semiconductor Company Phase II Expansion Project to add various new clean room (dust-free room) systems
- April 2020 Taiwan Micron's f16 tool install service po-Gas/NG/BA
- June 2020 TSMC F18 P4 MEP PACKAGE

- June 2020 TSMC F18 P4 CLEAN ROOM PACKAGE
- October 2020 TSMC F18 P4 CLEAN ROOM PACKAGE
- November 2020 TSMC RDR1 C/R
- November 2020 TSMC F18 P5 CLEANROOM PACKAGE
- November 2020 TSMC F18 P5 MEP PACKAGE
- January 2021 Procurement of office at 13F, Taiwan Technology Plaza, Qiaohe Road, Zhonghe District, New Taipei City
- January 2021 Advanced Wireless Semiconductor Company Phase II Expansion Project -- 2F Clean Room Extension Project
- February 2021 TSMC F18 P6 MEP PACKAGE
- March 2021 TSMC F18 P6 C/R
- April 2021 Purchased office at No. 168, Anhe East Road, Xitun District, Taichung City
- April 2021 TSMC 12B-BRIDGE_SP1_F12 P7 CR RETROFIT
- July 2021 TMSC F21 AAS Project
- July 2021 TSMC F21 CLEANROOM
- July 2021 TSMC F21 MEP
- November 2021 TSMC TCZWM MEP PACKAGE
- November 2021 TSMC F18 P7 MEP A
- November 2021 TSMC F18 P7 CLEAR ROOM A
- December 2021 TSMC F14 P8 MEP STAGE-1
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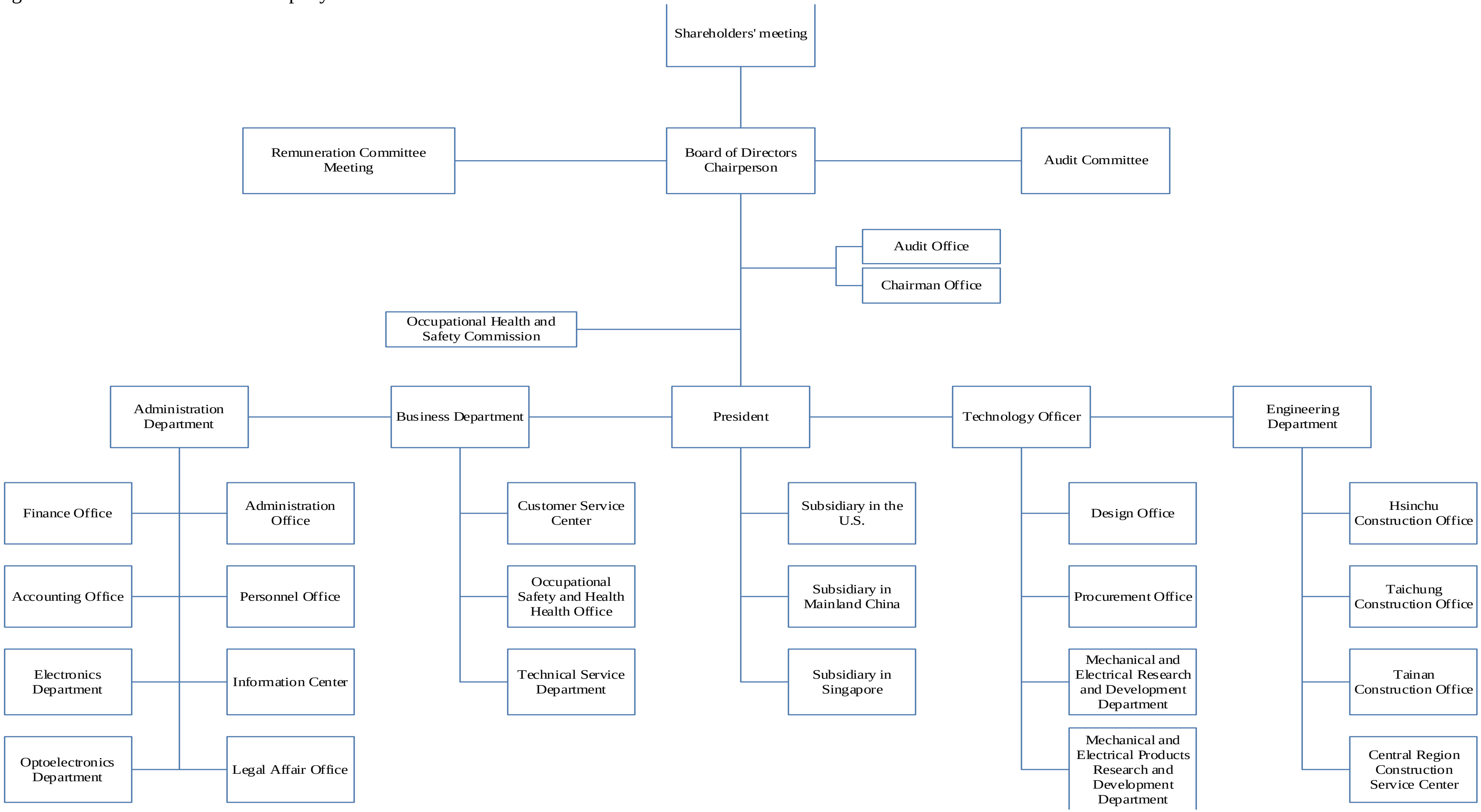
Three. Corporate governance report

I. Company organization

(I) Organization system

1. Organizational structure of the Company



2. The main job responsibility of each department is summarized as follows:

Department	Main job responsibility
Audit Office	Assist the Company’s personnel to fulfill their job responsibilities and determine the correctness of their work in order to improve organizational performance.
Legal Affair Office	Assist in the legal affairs related to the business of each department (proposing legal opinions, contract drafting and review, litigation and non-litigation events, etc.), drafting and amending the Company’s Articles of Associations, and implementing other legal matters.
Administration Office	Take care of general affairs, public relations, and other matters
Personnel Office	Responsible for the recruitment, performance evaluation, promotion, benefits, training, and other matters.
Finance Office	Responsible for financial scheduling, cashier, cash budgeting, and other matters.
Accounting Office	Responsible for the Company’s accounting operations, tax return filing, cost calculation and stock affairs, and other matters.
Procurement Office	Responsible for the execution of the Company’s various requisitions, orders processing, and documentation management.
Information Center	Responsible for the computer-related systems, and software and hardware inside and outside the Company, structure planning, development, construction, management, and maintenance.
Customer Service Center	Responsible for business solicitation and customer service.
Engineering Department	Responsible for the implementation of the system (including special systems) integration engineering projects.
Technical Service Department	Responsible for the execution of maintenance contracts and warranty services.
Design Office	Responsible for the design, integration, and technical support services of all systems (except special systems) of the Company.
Mechanical and Electrical Research and Development Department	Responsible for cleanroom related air conditioning, energy, airflow simulation, and chemical molecular pollution research and development.
Electrical Products R&DDepartment	Responsible for the research and development of electrical engineering products, and assist in handling nonconformities on the worksite.
Optoelectronics Department	Responsible for the research and development, production, sales and maintenance of infrared and related optoelectronic products, and after-sale service.
Electronics Department	Responsible for the research and development, production, sales, and maintenance of wireless monitoring products, and warranty and after-sale service.
Occupational Safety and Health Department	Formulate, plan, supervise, and promote safety and health management matters, and guide the relevant personnel in implementation. Formulate the Company’s occupational safety and health management plan, supervise each project to follow the Company’s occupational safety and health management plan, and audit and guide the implementation of various projects in compliance with the safety and health code.

II. Director and key manager information

1. Director Information (I)

March 28, 2022

Job title	Nationality or Registration Place	Name	Sex Age	Election date	Tenure	Initial Election Date	Shareholding at the time of election		Current shareholding		Current shareholding of spouse and minor children		Shares held in the name of others		Experience (education)	Job position held with the Company and other companies concurrently	Other managers, directors, or supervisors who are a spouse or second cousins			Remarks (Note)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job title	Name	Relationship	
Chairperson	Taiwan	Belle Lee	Female 60-65 years old	2021.08.17	3 years	2020.08.06	8,825,867	4.63%	8,943,867	4.69%	-	-	-	-	Department of Economics, Chinese Culture University	Note 2	None	None	None	None
Director	Taiwan	Benny Chen	Male 66-69 years old	2021.08.17	3 years	1990.03.02	1,888,840	0.99%	1,078,000	0.57%	-	-	-	-	Communications Engineering Department of National Chiao Tung University	Note 3	None	None	None	None
Director	-	Liang Yi Investment Co., Ltd.	-	2021.08.17	3 years	2020.08.06	7,173,571	3.76%	7,173,571	3.76%	-	-	-	-	-	-	-	-	-	-
Incorporated representative of the Director	Taiwan	Chih-Ming Lai	Male 60-65 years old	2021.08.17	3 years	2021.08.17	-	-	-	-	-	-	-	-	Department of Electrical Engineering, National Cheng Kung University	Note 4	None	None	None	None
Director	Taiwan	Ma Wei-Xin	Female 50-55 years old	2021.08.17	3 years	2021.08.17	-	-	-	-	-	-	-	-	Note 1	Note 5	None	None	None	None
Director	Taiwan	Joseph Lee	Male 66-69 years old	2021.08.17	3 years	1990.03.02	-	-	-	-	-	-	-	-	Electrical Engineering Department of Taipei Institute of Technology	Note 6	None	None	None	None
Director	Taiwan	Yu-An Chen	Male 66-69 years old	2021.08.17	3 years	1998.02.16	61,000	0.03%	61,000	0.03%	152,000	0.08%	-	-	M.S., Institute of Transportation Engineering, National Chiao Tung University	Note 7	None	None	None	None
Independent Director	Taiwan	Kun-Hsien Lin	Male 60-65 years old	2021.08.17	3 years	2021.08.17	-	-	-	-	-	-	-	-	Department of Law, National Taiwan University	Note 8	None	None	None	None
Independent Director	Taiwan	Te-Ying Liao	Male 66-69 years old	2021.08.17	3 years	2021.08.17	4,000	0.00%	-	-	-	-	-	-	Master's Degree in Accounting of Soochow University	Note 9	None	None	None	None
Independent Director	Taiwan	Ting Herh	Male 66-69 years old	2021.08.17	3 years	2015.06.16	-	-	-	-	-	-	-	-	Ph.D., Institute of Management, University of Victoria, Switzerland	Note 10	None	None	None	None

Note: If the Company's Chairperson and general manager or those of equal powers (top management) are the same person, the spouse, or a relative within the first degree kinship, the reason, rationality, necessity, responsive measures (such as, increasing the number of independent directors; also, the majority of the directors are not part-time employees or managers) , and other related information shall be disclosed.

Note 1: Ph.D., School of Humanities of Tsing Hua University; Executive MBA, Peking University; and Bachelor in Oriental Languages, University of California, Berkeley.

Note 2: Chairperson of the Company; Director of UNITED INTEGRATED SERVICES (USA) CORP.; Chairperson of UNITED INFORMATION SYSTEMS (BVI) CO., LTD.; chairperson, UNITED INTEGRATED SERVICES CO., LTD. (Singapore).

Note 3: Chairperson of Jiangxi United Integrated Services Company, Suzhou Hantai System Integration Company, Hitpoint Co. Ltd., and Beijing Hanhe Tang Medical Devices Company; corporate director representative, Ablerex Electronics Co., Ltd., Huayuan Engineering Co., Ltd., Wholetech System Hitech Limited, and JG Environmental Technology Co., Ltd.; director, Suyuan Trading (Shanghai), Jiangxi Construction Engineering Group Co., Ltd. and Junhua Technology Co., Ltd.

Note 4: President of the Company's Overseas Business Department; director, UNITED INTEGRATED SERVICES (USA) CORP.

Note 5: Chairperson of Hannstouch Solution Incorporated and Golden Apple Investment Co., Ltd.; director, Hannstar Display Corporation, Winbond Electronics Corporation, and Walsin Lihwa Corporation.

Note 6: Chief Technology Officer of the Company; director, Jiangxi Hantang System Integration Co., Ltd.; director, UNITED INTEGRATED SERVICES (USA) CORP. , person-in-charge of Yunhao Electric Technology.

Note 7: Director of Ablerex Electronics Co., Ltd., Z-Com, Inc., JG Environmental Technology Co., Ltd., and Eco Energy Corporation.

Note 8: Director, BN Law Firm; eighth-session director of the Association for Victims Support (AVS) of the Ministry of Justice; independent director, COTA Commercial Bank, Ltd.; independent director, Yongxin International Investment Holding Co., Ltd. Served as Chairperson of Taichung Bar Association

Note 9: Current Head of Huizhong Accounting Firm. Served as an honorary advisor and consultant of the Small and Medium Enterprise Administration of the Ministry of Economic Affairs; vice chairperson of DurQ Machinery Corp.

Note 10: Chairperson of DAVICOM Semiconductor Inc.

2. Major shareholders of corporate shareholders:

March 30, 2022

Name of corporate shareholder	Major shareholders of corporate shareholder
Liang Yi Investment Co., Ltd.	Kuo-Yu Wang 25.20%

Director Information (II)

I. Disclosure of information on the professional qualifications of directors and the independence of independent directors:

Conditions / Name	Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Serve as an independent director of other public companies
Belle Lee	Department of Economics, Chinese Culture University Current vice president of Administration of United Integrated Services Co., Ltd. Not subject to circumstances defined in Article 30 of the Company Act.		0
Benny Chen	Department of Telecommunications Engineering, National Chiao Tung University Executive General Manager of United Integrated Services Co., Ltd. Not subject to circumstances defined in Article 30 of the Company Act.		0
Chih-Ming Lai	Department of Electrical Engineering, National Cheng Kung University Former president of ChenFull International Co., Ltd. Served as the Head of Corporate Security Division, Taiwan Semiconductor Manufacturing Company, Limited Served as the Deputy Chief of the New Plant Planning and Engineering Division of Taiwan Semiconductor Manufacturing Company, Limited Not subject to circumstances defined in Article 30 of the Company Act.		0
Joseph Lee	Electrical Engineering from National Taipei University of Technology Chief Technical Officer of United Integrated Services Co., Ltd. Not subject to circumstances defined in Article 30 of the Company Act.		0
Ma Wei-Xin	Ph.D., School of Humanities, National Tsing Hua University Current Chairman of the Board of Directors of HannsTouch Solution Incorporated Current Chairman of Jinpingguo Investment (Inc.) Current Director (served as Chairman of the Board) of HannStar Display Corporation Current Director of Winbond Electronics Corporation Current director of Walsin Lihwa Corp. Served as Chairman of Yuanta Securities Investment Trust Co., Ltd. Not subject to circumstances defined in Article 30 of the Company Act.		0

Yu-An Chen	M.S. Engineering, Institute of Transportation Engineering, National Chiao Tung University Director, Ablerex Electronics Co., Ltd. Director, Z-Com, Inc. Director, JG Environmental Technology Co., Ltd. Director, Eco Energy Corporation Not subject to circumstances defined in Article 30 of the Company Act.		0
Ting Herh	Ph.D., Institute of Management, University of Victoria, Switzerland M.S. in Electrical Engineering, Berkeley University, California, USA B.S. in Control Engineering, National Chiao Tung University Chairperson of DAVICOM Semiconductor Inc. Not subject to circumstances defined in Article 30 of the Company Act.	Serving as an independent director and confirming to the conditions of independence 1. including but not limited to self, spouse, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or its affiliated companies. 2. Self, spouse, or relatives within the second degree of kinship (or others acting in their names) do not hold any shares of the Company. 3. Not serving in the position of director, supervisor, or employee of a company that has a specified relationship with the Company (in reference to Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. The amount of remuneration for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years is zero.	0
Kun-Hsien Lin	Department of Law, National Taiwan University Current Head of BN Law Firm Current serving as the eighth director of the Association for Victims Support (AVS), Ministry of Justice Current an independent director of COTA Commercial Bank, Ltd. Current an independent director of YungShin Global Holding Co., Ltd. Served as Chairman of Taichung Bar Association Not subject to circumstances defined in Article 30 of the Company Act.		2
Te-Ying Liao	Master's Degree in Accounting of Soochow University Current Head of Huizhong Accounting Firm Served as an honorary advisor and consultant of the Small and Medium Enterprise Administration of the Ministry of Economic Affairs Served as Vice Chairman of DurQ Machinery Corp. Not subject to circumstances defined in Article 30 of the Company Act.		0

II. Diversity and independence of the Board of Directors:

(I) Diversity of the Board of Directors:

1. Election of directors of the Company adopts a candidate nomination system in accordance with Article 20, Paragraph 3 of the Company's Corporate Governance Best-Practice Principles. The composition of the Board of Directors should consider diversity, and an appropriate diversification policy should be formulated and implemented according to our own operations, operation type, and development needs. Various aspects of diversity should be assessed, such as basic conditions and values (e.g., gender, age, etc.), expertise (e.g., law, accounting, industry, finance, marketing, or technology) and professional skills and industry experience, and so on.

2. The Company's current board of directors consists of nine directors. Two are female and three are independent directors. One third (33.3%) of the Board of Directors are also employees of the Company, 33.3% of directors are independent directors, and 22.2% of directors are female. The term of office of two of the independent directors is under than 3 years, while the term of office of one independent director is 4 to 9 years. The ages of the 9 directors are between 52 and 69 years old. All directors generally have accounting and financial analysis capabilities, are superior in leadership, decision-making, operational judgment, business management, and crisis management; also, have industry knowledge and international marketing vision.

3. Implementation of diversity in Board membership:

Core diversification items / Name of director	Sex	Professional background (education)	Years of service of independent directors		Operational judgment	Accounting and financial analysis skills	Management competence	Crisis management ability	Industrial knowledge	International market vision	Leadership	Decision-making capacity
			3 years or less	3 to 9 years								
Belle Lee	Female	Department of Economics, Chinese Culture University										
Benny Chen	Male	Department of Telecommunications Engineering, National Chiao Tung University										
Joseph Lee	Male	Electrical Engineering Department of Taipei Institute of Technology										
Representative of Liang Yi Investment Co., Ltd.: Chih-Ming Lai	Male	Department of Electrical Engineering, National Cheng Kung University										
Ma Wei-Xin	Female	Ph.D., School of Humanities, National Tsing Hua University Executive MBA, Peking University B.A. in Oriental Languages, University of California, Berkeley, USA										
Yu-An Chen	Male	M.S., Institute of Transportation Engineering, National Chiao Tung University B.S., Telecommunications Engineering, National Chiao Tung University										
Kun-Hsien Lin	Male	Department of Law, National Taiwan University										
Ting Herh	Male	Ph.D., Institute of Management, University of Victoria, Switzerland M.S. in Electrical Engineering, Berkeley University, California, USA B.S. in Control Engineering, National Chiao Tung University										
Te-Ying Liao	Male	Master’s Degree in Accounting of Soochow University										

(II) Independence of the Board of Directors:

1. The Company’s current board of directors consists of nine directors. Three are independent directors. The proportion of independent directors is 33.3%. The term of office of two of the independent directors is under than 3 years, while the term of office of one independent director is 4 to 9 years. Furthermore, the directors are not subject to the circumstances stipulated in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act and there is no spousal relationship or family relationship within the second degree of kinship among directors.
2. The Company considers that the independence of directors must be judged on the basis of substantive circumstances, and this should be clearly stated in the Board diversity policy. The Board is committed to continuously evaluating the independence of directors and all relevant factors will be considered. These include: Whether the relevant directors can continue to raise constructive questions for management and other directors and express opinions independently of management or other directors, as well as considering the appropriateness of behavior both within and outside of the board of directors. The conduct of the directors of the Company must meet expectations under appropriate circumstances and exhibit the above mentioned characteristics.

3. Information on President, Vice Presidents, and department heads and branch officers

March28, 2022

Job title	Nationality	Name	Sex	Election (Inauguration) Date	Shareholdings		Shareholding of the spouse and minor children		Shares held in the name of others		Experience (education)	Job position held with the other companies currently	Managers who are a spouse or second cousin			Remarks (Note)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job title	Name	Relationship	
Chief Executive Officer	Taiwan	Belle Lee	Female	2012.07.10	8,943,867	4.69%	-	-	-	-	Department of Economics, Chinese Culture University	Note 1	None	None	None	None
President of Overseas Business Department	Taiwan	Chih-Ming Lai	Male	2021.07.22	-	-	-	-	-	-	Department of Electrical Engineering, National Cheng Kung University	Note 2	None	None	None	None
Chief Technology Officer	Taiwan	Joseph Lee	Male	1998.09.26	-	-	-	-	-	-	Electrical Engineering Department of Taipei Institute of Technology	Note 3	None	None	None	None
Chief Business Officer	Taiwan	Hsu Chun Yuan	Male	2021.08.30	-	-	-	-	-	-	National Taipei Institute of Technology	Note 4	None	None	None	None
Vice President of Engineering	Taiwan	Hsiangching Tseng	Male	2012.07.10	769	0.00%	-	-	-	-	National Taipei Institute of Technology	Note 5	None	None	None	None
Accounting Officer	Taiwan	Limei Pan	Female	2012.06.27	600	0.00%	-	-	-	-	Hsingwu Junior College of Commerce	-	None	None	None	None
Finance Officer	Taiwan	Liyu Lin	Female	2012.06.27	600	0.00%	-	-	-	-	National Taipei College of Business	-	None	None	None	None
Vice President	Taiwan	Juichin Wu	Male	2012.07.10	10,162	0.01%	-	-	-	-	Department of Computer Science and Information Engineering, Tamkang University	Note 6	None	None	None	None
Vice President	Taiwan	Chunhsiung Wang	Male	2012.07.10	-	-	-	-	-	-	Vanung Institute of Technology	-	None	None	None	None

Note: If the Company's Chairperson and general manager or those of equal powers (top management) are the same person, the spouse, or a relative within the first degree kinship, the reason, rationality, necessity, responsive measures (such as, increasing the number of independent directors; also, the majority of the directors are not part-time employees or managers), and other related information shall be disclosed.

Note 1: Chairperson of the Company; Director of UNITED INTEGRATED SERVICES (USA) CORP.; Chairperson of UNITED INFORMATION SYSTEMS (BVI) CO., LTD.;chairperson, UNITED INTEGRATED SERVICES CO., LTD. (Singapore).

Note 2: President of the Company's Overseas Business Department; director, UNITED INTEGRATED SERVICES (USA) CORP.

Note 3: Chief Technology Officer of the Company; director, Jiangxi Hantang System Integration Co., Ltd.; director, UNITED INTEGRATED SERVICES (USA) CORP. , person-in-charge of Yunhao Electric Technology.

Note 4: Chief Business Officer of the Company, chairperson, Suyuan Trading (Shanghai).

Note 5: Vice President of the Company; corporate director representative, Ablerex Electronics Co., Ltd.

Note 6: President of the Company's branch office in Mainland China and the Director of Jiangxi United Integrated Services Company, Suyuan Trading (Shanghai) Company, Suzhou Hantai System Integration Company, and Hitpoint Company.

5. Remuneration of Directors, President, and Vice President

(1) Remuneration to board directors (including independent directors) (name and remuneration shall be disclosed individually)

Unit: NT$ Thousands

Job title	Name	Remuneration of Directors								The total amount and ratio of A, B, C and D (4 items) to the net income		The relevant remunerations of part-time employees								The total amount and ratio of A, B, C, D, E, F and G (7 items) to the net income (%)		Remuneration received from the invested companies other than the subsidiaries or parent company
		Remuneration (A)		Pension (B)		Remuneration of Directors (C)		Business execution fee (D)				Salary, bonus, and special allowance (E)		Pension (F)		Remuneration to employees (G)						
		The Company	All the companies included in the financial report (Note 7)	The Company	All the companies included in the financial report (Note 7)	The Company	All the companies included in the financial report (Note 7)	The Company	All the companies included in the financial report (Note 7)	The Company	All the companies included in the financial report	The Company	All the companies included in the financial report (Note 7)	The Company	All the companies included in the financial report (Note 7)	The Company		All the companies included in the financial report (Note 7)		The Company	All the companies included in the financial report	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairperson	Belle Lee	-	-	-	-	3,668	3,668	54	54	3,722 0.13%	3,722 0.13%	4,140	4,140	185	185	13,706	0	13,706	0	21,753 0.79%	21,753 0.79%	None
Director	Benny Chen	-	-	-	-	4,200	4,200	60	60	4,260 0.15%	4,260 0.15%	5,524	5,524	226	226	0	0	0	0	10,010 0.36%	10,010 0.36%	None
Director	Liang Yi Investment Co., Ltd.	-	-	-	-	4,200	4,200	0	0	4,200 0.15%	4,200 0.15%	0	0	0	0	0	0	0	0	4,200 0.15%	4,200 0.15%	None
Incorporated representative of the Director	Chih-Ming Lai	-	-	-	-	0	0	18	18	18 0.00%	18 0.00%	1,998	1,998	49	49	6,282	0	6,282	0	8,347 0.30%	8,347 0.30%	None
Director	Joseph Lee	-	-	-	-	4,200	4,200	60	60	4,260 0.15%	4,260 0.15%	6,193	6,193	267	267	13,706	0	13,706	0	24,426 0.88%	24,426 0.88%	None
Director	Yu-An Chen	-	-	-	-	4,200	4,200	60	60	4,260 0.15%	4,260 0.15%	0	0	0	0	0	0	0	0	4,260 0.15%	4,260 0.15%	4,077
Director	Ma Wei-Xin	-	-	-	-	3,668	3,668	18	18	3,686 0.13%	3,686 0.13%	0	0	0	0	0	0	0	0	3,686 0.13%	3,686 0.13%	None
Independent Director	Kun-Hsien Lin	-	-	-	-	302	302	1,588	1,588	3,686 0.13%	3,686 0.13%	48	48	0	0	0	0	0	0	3,734 0.13%	3,734 0.13%	None
Independent Director	Te-Ying Liao	-	-	-	-	302	302	1,588	1,588	3,686 0.13%	3,686 0.13%	48	48	0	0	0	0	0	0	3,734 0.13%	3,734 0.13%	None
Independent Director	Ting Herh	-	-	-	-	2,400	2,400	1,860	1,860	4,260 0.15%	4,260 0.15%	144	144	0	0	0	0	0	0	4,404 0.16%	4,404 0.16%	None
Chairperson	C.S. Chen (Note 1)	-	-	-	-	532	532	42	42	574 0.02%	574 0.02%	4,848	4,848	72	72	0	0	0	0	5492 0.20%	5492 0.20%	None
Director	Kun-Ming Lin (Note 1)	-	-	-	-	532	532	42	42	574 0.02%	574 0.02%	0	0	0	0	0	0	0	0	574 0.02%	574 0.02%	None
Independent Director	Kuo-Chi Tsai (Note 1)	-	-	-	-	302	302	266	266	568 0.02%	568 0.02%	96	96	0	0	0	0	0	0	664 0.02%	664 0.02%	None
Independent Director	James Kao (Note 1)	-	-	-	-	302	302	272	272	574 0.02%	574 0.02%	72	72	0	0	0	0	0	0	646 .02%	646 0.02%	None

1. The correlation between the policies, system, standards, and structure of the independent director's remuneration, and the responsibilities, risk and time undertook by the Independent Director: Other than the fee payable for each participation, an independent director is entitled to a business execution fee of at NT$150,000 per month. Each and every independent director receives just the same amount. With the directors' remuneration allocated upon the annual accounting settlement, the remuneration for directors (including remuneration to directors and the fee for the independent directors in the execution of the business for the year) shall be evenly distributed according to the total number of directors (including independent directors). In case of independent directors, the differential gap shall be made up after payment of the business execution fee and each and every independent director shall receive exactly the same amount.

2. Except as disclosed in the aforementioned Table, the remuneration received by the Directors of the Company in the most recent year for the services (serving as an external consultant to the parent company, to any company listed in the financial statements, or to a reinvested company) provided to all the companies in the financial report: None

Note 1: Resigned on August 17, 2021

Remuneration Bracket Table

Bracket of the remuneration paid to each director of the Company	Name of Director			
	The total remuneration amount of the last 4 items (A+B+C+D)		The total remuneration amount of the last 7 items (A+B+C+D+E+F+G)	
	The Company	All the companies included in the financial report	The Company	All the companies included in the financial report
Less than NT$1,000,000	Chih-Ming Lai, Kuan-Ming Lin, C.S. Chen Kuo-Chi Tsai, James Kao	Chih-Ming Lai, Kuan-Ming Lin, C.S. Chen, Kuo-Chi Tsai, James Kao	Kuo-Chi Tsai, James Kao, Kuan-Ming Lin	Kuo-Chi Tsai, James Kao, Kuan-Ming Lin
NT$1,000,000 (inclusive)～NT$2,000,000 (not inclusive)				
NT$2,000,000 (inclusive)～NT$3,500,000 (not inclusive)				
NT$3,500,000 (inclusive)～NT$5,000,000 (not inclusive)	Belle Lee, Benny Chen, Liang Yi Investment Co., Ltd., Joseph Lee, Yu-An Chen, Ma Wei-Xin, Kun-Hsien Lin, Te-Ying Liao, Ting Herh	Belle Lee, Benny Chen, Liang Yi Investment Co., Ltd., Joseph Lee, Yu-An Chen, Ma Wei-Xin, Kun-Hsien Lin, Te-Ying Liao, Ting Herh	Liang Yi Investment Co., Ltd., Yu-An Chen, Ma Wei-Xin, Kun-Hsien Lin, Te-Ying Liao, Ting Herh	Liang Yi Investment Co., Ltd., Yu-An Chen, Ma Wei-Xin, Kun-Hsien Lin, Te-Ying Liao, Ting Herh
NT$5,000,000 (inclusive)～NT$10,000,000 (not inclusive)			Chih-Ming Lai, C.S. Chen	Chih-Ming Lai, C.S. Chen
NT$10,000,000 (inclusive)～NT$15,000,000 (not inclusive)			Benny Chen	Benny Chen
NT$15,000,000 (inclusive)～NT$30,000,000 (not inclusive)			Belle Lee, Joseph Lee	Belle Lee, Joseph Lee
NT$30,000,000 (inclusive)～NT$50,000,000 (not inclusive)				
NT$50,000,000 (inclusive)～NT$100,000,000 (not inclusive)				
Over NT$100,000,000				
Total	14	14	14	14

(2) Remuneration of the President and Vice President (names and remuneration shall be disclosed individually)

Unit: NT$ Thousands

Job title	Name	Salary (A)		Pension (B)		Bonus, special allowance (C)		Employee's remuneration amount (D)				The total amount and ratio of A, B, C and D (4 items) to the net income		Remuneration received from the invested companies other than the subsidiaries or parent company
		The Company	All the companies included in the financial report	The Company	All the companies included in the financial report	The Company	All the companies included in the financial report	The Company		All the companies included in the financial report (Note 5)		The Company	All the companies included in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chief Executive Officer	Belle Lee	3,090	3,090	185	185	1,050	1,050	13,706	0	13,706	0	18,031 0.65%	18,031 0.65%	None
President of Overseas Business	Chih-Ming Lai	1,998	1,998	49	49	0	0	6,282	0	6,282	0	8,329 0.30%	8,329 0.30%	None
Chief Technology Officer	Joseph Lee	4,450	4,450	267	267	1,743	1,743	13,706	0	13,706	0	20,166 0.73%	20,166 0.73%	None
Chief Business Officer	Hsu Chun Yuan	1,492	1,492	36	36	0	0	5,000	0	5,000	0	6,528 0.24%	6,528 0.24%	None
Vice President of Engineering	Hsiangching Tseng	4,084	4,084	245	245	1,381	1,381	7,935	0	7,935	0	13,645 0.49%	13,645 0.49%	None
Vice President	Juichin Wu	2,016	3,428	2019	2019	535	5,860	3,246	0	3,246	0	5,905 0.21%	12,642 .0.46%	None
Vice President	Chunhsiung Wang	4,320	4,320	2019	2019	820	820	1,876	0	1,876	0	7,124 0.26%	7,124 0.26%	None
Chief Executive Officer	C.S. Chen (Note 1)	3,133	3,133	72	72	1,715	1,715	0	0	0	0	4,920 00.18%	4,920 00.18%	None
President	Benny Chen (Note 2)	3,771	3,771	226	226	1,753	1,753	0	0	0	0	5,750 0.21%	5,750 0.21%	None
Vice President	Shaoming Chen (Note 2)	3,155	3,155	90	90	1,282	1,282	0	0	0	0	4,527 0.16%	4,527 0.16%	None

Note 1: Retired on August 31, 2021

Note 2: Retired on October 31, 2021

Remuneration Bracket Table

Bracket of the remuneration paid to the President and Vice President of the Company	Name of President and Vice President	
	The Company	All the companies included in the financial report
Less than NT$1,000,000		
NT$1,000,000 (inclusive)～NT$2,000,000 (not inclusive)		
NT$2,000,000 (inclusive)～NT$3,500,000 (not inclusive)		
NT$3,500,000 (inclusive)～NT$5,000,000 (not inclusive)	C.S. Chen, Shaoming Chen	C.S. Chen, Shaoming Chen
NT$5,000,000 (inclusive)～NT$10,000,000 (not inclusive)	Chih-Ming Lai, Hsu Chun Yuan, Juichin Wu, Chunhsiung Wang Benny Chen	Chih-Ming Lai, Hsu Chun Yuan, Chunhsiung Wang, Benny Chen
NT$10,000,000 (inclusive)～NT$15,000,000 (not inclusive)	Hsiangching Tseng	Hsiangching Tseng, Juichin Wu
NT$15,000,000 (inclusive)～NT$30,000,000 (not inclusive)	Belle Lee, Joseph Lee	Belle Lee, Joseph Lee
NT$30,000,000 (inclusive)～NT$50,000,000 (not inclusive)		
NT$50,000,000 (inclusive)～NT$100,000,000 (not inclusive)		
Over NT$100,000,000		
Total	10	10

(3)

The remuneration of the top five managers of listed/OTC companies (names and remuneration shall be disclosed individually)

Unit: NT$ Thousands

Job title	Name	Salary (A)		Pension (B)		Bonus, special allowance (C)		Employee's remuneration amount (D)				The total amount and ratio of A, B, C and D (4 items) to the net income		Remuneration received from the invested companies other than the subsidiaries or parent company
		The Company	All the companies included in the financial report (Note 5)	The Company	All the companies included in the financial report (Note 5)	The Company	All the companies included in the financial report (Note 5)	The Company		All the companies included in the financial report (Note 5)		The Company	All the companies included in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chief Executive Officer	Belle Lee	3,090	3,090	185	185	1,050	1,050	13,706	0	13,706	0	18,031 0.65%	18,031 0.65%	None
President of Overseas Business Department	Chih-Ming Lai	1,998	1,998	49	49	0	0	6,282	0	6,282	0	8,329 0.30%	8,329 0.30%	None
Chief Technology Officer	Joseph Lee	4,450	4,450	267	267	1,743	1,743	13,706	0	13,706	0	20,166 0.73%	20,166 0.73%	None
Chief Business Officer	Hsu Chun Yuan	1,492	1,492	36	36	0	0	5,000	0	5,000	0	6,528 0.24%	6,528 0.24%	None
Vice President of Engineering	Hsiangching Tseng	4,084	4,084	245	245	1,381	1,381	7,935	0	7,935	0	13,645 0.49%	13,645 0.49%	None

(4) Name of the managers received employee remuneration and the amount of remuneration received.

Unit: NT$ Thousands

	Job title	Name	Stock amount	Cash amount	Total	Ratio of total amount to net income (%)
Manager	Chief Executive Officer	Belle Lee	0	54,350	54,350	1.96%
	President of Overseas Business Department	Chih-Ming Lai				
	Chief Technology Officer	Joseph Lee				
	Chief Business Officer	Hsu Chun Yuan				
	Vice President of Engineering	Hsiangching Tseng				
	Accounting Officer	Limei Pan				
	Finance Officer	Liyu Lin				
	Vice President	Juichin Wu				
	Vice President	Chunhsiung Wang				

6. Analysis of the ratio of the total remuneration paid to the Company's Directors, President, and Vice President in the most recent year by the Company and the companies included in the consolidated statements to the net income; also, the explanation of the policies, standards and portfolio of the remuneration, the procedures for the stipulation of remuneration, and its relevance with the business performance

1. Analysis of the ratio of the total remuneration paid to the Company's Directors, President, and Vice President in the last two years by the Company and the companies included in the consolidated financial statements to the net income

Unit: NT$ Thousands

Year / Identity	2020		2021	
	The Company	All the companies included in the financial report	The Company	All the companies included in the financial report
Remuneration of Directors	147,116	147,116	95,032	95,032
Ratio of remuneration of directors to net income (%)	3.65%	3.65%	3.46%	3.46%
Remuneration of President and Vice President	148,363	155,661	95,334	103,137
Ratio of remuneration of President and Vice President to net income (%)	3.68%	3.86%	3.44%	3.72%

The Board of Directors is authorized in accordance with the Articles of Association of the Company to determine the remuneration of all directors depending on their involvement in the Company operation and the value of their contribution; also, by referring to the general standards of the industry. Therefore, there should be no significant risks involved in the future.

2. Remuneration policies, standards and portfolio, procedures for determining remuneration , and their correlations with business performance and future risks

Remuneration paid by the Company to directors and managers is under the authority of the Remuneration Committee, which is responsible for formulating and regularly reviewing the policies, systems, standards, and structures for the annual performance evaluation and remuneration of directors and managers of the Company. It shall comprehensively consider the rationality of the relationship between personal performance, the Company’s operating performance, and future operating risks, and submit it to the Board of Directors for approval. If it is a distribution item in the earnings distribution statement, it must be submitted to the shareholders' meeting for approval.

(1) Remuneration distribution policy for directors (including independent directors): It is stipulated under Article 16 of the Company’s Articles of Incorporation that the remuneration of all directors shall be determined under the authorization of the Board of Directors according to the level of their participation in the Company's operations and the value of their contributions, and with reference to the usual level of the industry. In accordance with the Company's Remuneration Distribution Methods for Directors and Independent Directors, the amount director remuneration that can be allocated to each independent director must be deducted from the independent director's business execution expenses received in the current year. If the Company makes a profit, then in accordance with Article 19 of the Company's Articles of Incorporation, a maximum of 2% shall be allocated as directors' remuneration by a resolution of the Board of Directors; and this shall be submitted to the shareholders' meeting following a review by the Remuneration Committee and approval by the Board of Directors.

(2) Remuneration distribution policy for managers: It is stipulated under Article 19 of the Company’s Articles of Incorporation that if the Company has a profit for the year, it shall allocate 6%-10% as remuneration for employees and this shall be distributed in stock or cash by a resolution of the Board of Directors. Distribution recipients include employees of controlled or affiliated companies meeting certain conditions. Remuneration of managers is based on individual performance and contribution to the Company's overall operations and reasonable remuneration will be given in consideration of levels given by market peers. This shall be carried out after a review by the Remuneration Committee and approval of the Board of Directors.

(3) Correlation with operating performance and future risks: The Remuneration Committee refers to the Company's overall operational performance, operational risks and development trends; and, after evaluating the achievement of the performance targets of directors and managers, makes a submission to the Board of Directors for discussion. It also reviews the remuneration system for directors and managers at any time in accordance with actual business conditions and relevant laws and regulations; furthermore, it should not lead directors and managers to engage in behavior in pursuit of remuneration that exceeds the risk tolerances of the Company. The Company's remuneration policy should refer to the customary level of payment in the same industry while considering individual performance. Remuneration is positively related to the Company's operating performance. Future risks have been appropriately controlled, and the remuneration policy and future risks are also reasonably correlated to a certain extent. Overall compensation packages primarily include salaries, bonuses, various allowances and employee dividends, benefits, and other components. Standards of remuneration, salaries, and allowances are verified according to the competitive market situation vis-à-vis the position held by the employee, and in line with the Company’s policies. Bonuses and employee dividends are issued in conjunction with employees, departmental goals, or the Company’s operating performance. Regarding the design of benefits, we design employee benefit measures that can be shared by employees on the premise of compliance with laws and regulations and taking into account the needs of employees.

III. Corporate governance operation of TWSE/GTSM Listed Companies

(I) The operation of the Board of Directors

In 2021 and the most recent year through March 2022, the Board of Directors held 13 [A] meetings and the attendance of directors was as follows:

Job title	Name	Actual number of attendance (B)	Frequency of attendance by proxy	Actual attendance ratio (%) (B/A)	Note
Chairperson	C.S. Chen	7	-	100%	Stepped down on August 17, 2021
Chairperson	Belle Lee	6	-	100%	Newly appointed on August 17, 2021
Director	Benny Chen	13	-	100%	Reappointed on August 17, 2021
Incorporated representative of the Director	Liang Yi Investment Co., Ltd. Chih-Ming Lai	6		100%	Newly appointed on August 17, 2021
Incorporated representative of the Director	Liang Yi Investment Co., Ltd. Belle Lee	6	-	100%	Newly appointed on August 6, 2020 Stepped down on April 14, 2021 Newly appointed on April 19, 2021 Stepped down on August 17, 2021
Incorporated representative of the Director	Liang Yi Investment Co., Ltd. Yu Chang Lin	1	-	100%	Newly appointed on April 14, 2021 Stepped down on April 19, 2021
Director	Joseph Lee	12	1	92%	Newly appointed on August 6, 2020 Reappointed on August 17, 2021
Director	Yu-An Chen	13	-	100%	Newly appointed on August 6, 2020 Reappointed on August 17, 2021
Director	Ma Wei-Xin	6	-	100%	Newly appointed on August 17, 2021
Director	Kuan-Ming Lin	7	-	100%	Stepped down on August 17, 2021
Independent Director	Kun-Hsien Lin	6	-	100%	Newly appointed on August 17, 2021
Independent Director	Te-Ying Liao	6	-	100%	Newly appointed on August 17, 2021
Independent Director	Ting Hou	13	-	100%	Reappointed on August 17, 2021
Independent Director	Kuo-Chi Tsai	6	1	85.71	Stepped down on August 17, 2021
Independent Director	James Kao	7	-	100%	Stepped down on August 17, 2021

Other information to be published:

I. The operation of the Board of Directors shall be with the date, term, content of the proposal, the opinions of all independent directors, and the Company's processing of the opinions of the independent directors stated in any of the following circumstances
   (I) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee.
   (II) Except for the matters stated in the preceding paragraph, the resolutions of the Board of Directors that

are opposed or reserved by independent directors with a record or written statement filed: None

II. For the directors' having themselves recused from a proposal with the risk of conflict of interest, the name of the director, the content of the proposal, the reasons for recusing themselves, and the engagement in voting should be stated: None

III. Information on the evaluation cycle and period, evaluation scope, method and evaluation content of the board's self (or peer) assessment that should be disclosed by TWSE/TPEx listed companies, and fill in the attached form for the implementation of the evaluation of the Board of Directors.

Evaluation result:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implemented at the end of each year	January 1, 2021 to December 31, 2021	Board of Directors, individual directors, and functional committees	The Board of Directors, individual board members, and functional committees themselves fill in the performance evaluation self-assessment questionnaires	Measurement items for the Board of Directors performance evaluation I. Degree of participation in Company operations. II. Improving the quality of Board decisions. III. Board composition and structure. IV. Selection and continuous training of directors. V. Internal control. Score result **4.95** points Measurement items for the performance evaluation of Board members: I. Mastering the Company's goals and tasks. II. Awareness of directors' responsibilities. III. Degree of participation in Company operations. IV. Internal relationship management and communication. V. Directors' professional and continuous education. VI. Internal control. Score result **4.84** points Measurement items for functional committee performance evaluations: I. Degree of participation in Company operations. II. Recognition of functional committee responsibilities. III. Improving decision-making quality of functional committees. IV. Functional committee composition and member selection. V. Internal control. Score result **4.95** points Overview: The overall results of the performance evaluation of the Board of Directors of the Company in 2021 is between 5 points for "strongly agree" and 4 points for "agree." Overall, the Board of Directors and the functional committees are functioning well. According to Article 9 of the Board of Directors Performance Evaluation Measures, the results of the performance evaluation of the Board of Directors shall be used as a reference for the selection or nomination of directors. The Company will continue to improve the functions of the Board of Directors based on the results of this performance evaluation to improve the effectiveness of corporate governance. It is expected that in the future, the Board of Directors, individual directors, and functional committees of the Company can better perform their functions and lead the Company towards better corporate governance. The Company reported the evaluation results to the Board of Directors on March 23, 2022

IV. Evaluate the objectives (such as, setting up an Audit Committee, improving information transparency, etc.) of strengthening the functions of the Board of Directors and the implementation in the current year and the most recent year.

(1) Objectives of strengthening the functions of the Board of Directors: The Company has formulated the "Regulations Governing Board of Directors Meetings" to establish a good corporate governance system for the Board of Directors, strengthen management functions, and improve supervision functions for the compliance of the Board of Directors in order to exercise its function.

(2) Performance evaluation performed by the Board of Directors: The convening and deliberation of the board meeting shall be conducted in accordance with the "Rules of Procedure for Board of Directors Meetings" and the "Regulations Governing Board of Directors Meetings" of the Company. The Remuneration Committee shall also be responsible for reviewing the remuneration of the directors, and managers of the Company; also, provide recommendations and assess the relevant policies for the reference of the Board of Directors in decision-making.

(II) Operation of the Audit Committee:

1. Information on the operation of the Audit Committee:

The attendance of the independent directors for the 10 Audit Committee meetings (A) held in the most recent year:

Job title	Name	Actual number of attendance (B)	Frequency of attendance by proxy	Actual attendance ratio (%) (B/A) (Note)	Remarks
Independent Director	Ting Herh	10	0	100%	Re-elected
Independent Director	Kuo-Chi Tsai	5	1	83%	Stepped down on August 16, 2021
Independent Director	James Kao	6	0	100%	Stepped down on August 16, 2021
Independent Director	Kun-Hsien Lin	4	0	100%	Newly appointed on August 17, 2021
Independent Director	Te-Ying Liao	4	0	100%	Newly appointed on August 17, 2021

Other information to be published:

I. If any of the following circumstances arises in the operation of the Audit Committee, the meeting date, period, motion content, and any objections of independent directors should be stated, as well as contents of reserved opinions or major recommendations, the results of the audit committee's resolutions, and the Company's handling of the Audit Committee's opinions.
   (I) Matters listed in Article 14-5 of the Securities Exchange act: Please refer to the important resolutions of the board of directors and the audit committee on page 63; all proposals have been approved by all members of the audit committee: also, proposed to and resolved by the board of directors.
   (II) Except for the matters stated in the preceding paragraph, other proposals that have not been resolved by the Audit Committee, but with the consent of two-thirds of the board directors: None

II. For the independent directors' having themselves recused from a proposal with the risk of conflict of interest, the name of the independent director, the content of the proposal, the reasons for recusing themselves, and the engagement in voting should be stated: None.

III. The communication among the independent directors, the chief internal auditors, and the certified public accountants (shall include important matters, methods, and results of communication on the Company's financial and business conditions)
   (I) The communication between the independent directors and the chief internal auditor

Audit Committee Date	Communication focus	Opinions of independent directors	Handling of implementation results
2021.01.28 12th session of the 1st term	Amendment of the Company's "Management of Financial Statement Preparation Process"	Independent directors expressed consent for the amendment	Submitted to the Board of Directors after deliberation and approval
2021.03.23 13th session of the 1st term	(1) Audit items, audit results, and tracking improvement report for 2020 Q4 (2) Report on 2020 Internal Control Statement	Independent directors expressed consent for the report	Submitted to the Board of Directors after deliberation and approval
2021.05.12 15th session of the 1st term	Audit items, audit results, and tracking improvement report for 2021 Q1	Independent directors expressed consent for the report	Submitted to the Board of Directors after deliberation and approval
2021.08.12 17th session of the 1st term	(1) Audit items, audit results, and tracking improvement report for 2021 Q2 (2) Partial amendment to "Operating Procedures for Making of Endorsements and Guarantees"	Independent directors expressed consent for the report and amendment content	Submitted to the Board of Directors after deliberation and approval
2021.11.11 1st session of the 2nd term	(1) Audit items, audit results, and tracking improvement report for 2021 Q3 (2) The Company's 2022 audit plan	(1) Independent directors expressed consent for the report (2) Independent directors recommend adding audit items for US subsidiaries	(1) Submitted to the Board of Directors after deliberation and approval (2) Added audit items for US subsidiaries in accordance with the recommendation of the audit committee

(II) Communication between the independent directors and the certified public accountant

Communication between the independent directors and the certified public accountant in 2021

In the following quarterly Audit Committee meetings, CPAs submit written briefings to the Audit Committee on matters to be communicated with the corporate governance unit. Principal communication items are as follows:

Audit Committee Date	Communication focus	Opinions of independent directors	Handling of implementation results
March 23, 2021 13th session of the 1st term	(1) Motion for 2020 business report and financial statements (2)Primary communication content with the corporate governance unit: *Annual audit highlights: evaluation of income recognition; assessment of impairment of accounts receivable; valuation of financial instruments	Independent directors expressed consent for the report	Submitted to the Board of Directors after deliberation and approval
May 12, 2021 15th session	(1) The Company's 2021 Q1 financial statements. (2)Primary communication content with the corporate governance unit: A. Review of adjustments for differences B. Events or circumstances that may cast significant doubt on the ability to continue as a going concern C. Major difficulties confronted during the review process D. Other communication matters	Independent directors expressed consent for the report	Submitted to the Board of Directors after deliberation and approval
August 12, 2021 17th session	(1) The Company's 2021 Q2 financial statements. (2)Primary communication content with the corporate governance unit: A. Review of adjustments for differences B. Events or circumstances that may cast significant doubt on the ability to continue as a going concern C. Major difficulties confronted during the review process D. Other communication matters	Independent directors expressed consent for the report	Submitted to the Board of Directors after deliberation and approval.
November 11, 2021 1st session of the 2nd term	(1) The Company's 2021 Q3 financial statements. (2)Primary communication content with the corporate governance unit: A. Review of adjustments for differences B. Events or circumstances that may cast significant doubt on the ability to continue as a going concern C. Major difficulties confronted during the review process D. Other communication matters	Independent directors expressed consent for the report	Submitted to the Board of Directors after deliberation and approval.

IV. Minutes of meetings convened by the Audit Committee in 2021 and 2022 through the publication date of the annual report

January 28, 2021 (the twelfth session of the first term)

I. Company Reports:

Report on the plan to enhance the Company's capability to work out financial statements and on the progress of implementation.

The issues reported above have been known to and acknowledged by present Committee members in full.

II. Discussions

Proposal 1: The issue about change in the certified public accountants to certify the Company's financial statement.

Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

Proposal 2: Passed the independence and competency assessment performed on the Company's public auditor.

Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

Proposal 3: An addition of the Company's "management over the process to work out a financial statement."

Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

Proposal 4: Capital increase through cash injection toward the Company's subsidiary -Han Xuan Energy Co., Ltd.

Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

March 23, 2021 (the thirteenth session of the first term)

I. Company Reports:

Proposal 1: Internal audit report presented by the audit supervisor.

The issues reported above have been known to and acknowledged by present Committee members in full.

II. Discussions

Proposal 1: The Company's 2020 business report and financial statement.

Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

Proposal 2: The Company's 2020 earnings distribution.

Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

Proposal 3: Preparation of the Company's "2020 Internal Control System Statement."

Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

April 15, 2021 (the fourteenth session of the first term)

I. Report matters: None

II. Discussions

Proposal 1: Lift the restriction of non-compete off the newly elected directors and their representatives.

Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

Proposal 2: Cash capital reduction and refund of shareholder payments. (Proposal is proposed by the shareholders in accordance with the provision of Article 172-1 of the Company Act)

Resolution: The case was passed in accordance with the legal review, and it was proposed for the Board of Directors to make a final decision.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

May 12, 2021 (the fifteenth session of the first term)

I. Company Reports:

Proposal 1: Internal audit report presented by the audit supervisor.

Proposal 2: The Company's 2021 Q1 consolidated financial statements.

Proposal 3: Report on the plan to enhance the Company's capability to work out financial statements and implement implementation.

The issues reported above have been known to and acknowledged by present Committee members in full.

II. Discussions: None

May 12, 2021 (the sixteenth session of the first term)

I. Report matters: None

II. Discussions

Proposal 1: Remuneration of financial statement CPA.

Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

Proposal 2: Cash capital increase of US subsidiary.

Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

Proposal 3: Purchase of land in Tainan.

Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

August 12, 2021 (the seventeenth session of the first term)

I. Company Reports:

Proposal 1: Internal audit report presented by the audit supervisor.

The issues reported above have been known to and acknowledged by present Committee members in full.

II. Discussions:

Proposal 1: The Company’s 2021 Q2 consolidated financial statements.

Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

Proposal 2: Partial amendment of the provisions of the Company’s “Procedures for Making of Endorsements / Guarantees.”

Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

November 11, 2021 (the first session of the second term)

I. Company Reports:

Proposal 1: Internal audit report presented by the audit supervisor.

The issues reported above have been known to and acknowledged by present Committee members in full.

II. Election matters:

Proposal: Selection of the convener of the second session of the Audit Committee.

Resolution: All the attending members unanimously elected Mr. Kun-Hsien Lin as the convener and presiding chair of the meeting.

III. Discussions:

Proposal 1: The Company’s 2021 Q3 consolidated financial statements.

Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

Proposal 2: Formulation of the Company’s 2022 annual audit plan.

Resolution: Approved by all members in attendance. Request to review the suggestion of member Ting Herh to add audit items for US subsidiaries.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

Proposal 3: Proposed to issue a letter of support to five financial institutions for a comprehensive line of credit application by United Integrated Services (USA) Corp., a 100% invested subsidiary of the Company.

Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

Proposal 4: The Company intends to endorse the project undertaken by United Integrated Services (USA) Corp., a subsidiary in the United States.

Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

January 27, 2022 (the second session of the second term)
I. Report matters: None
II. Discussions
Proposal 1: Passed the independence and competency assessment performed on the Company's public auditor.
Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.
The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.
Proposal 2: Remuneration of financial statement CPA.
Resolution: 1. The proposal was passed. 2. Appointment fees to remain unchanged for three years.
The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

March 8, 2022 (the third session of the second term)
I. Discussions
Proposal 1: Proposed acquisition of real estate in Tainan.
Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.
The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.
Proposal 2: Buyback of issued common stock of the Company.
Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.
The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

March 23, 2022 (the fourth session of the second term)
I. Discussions
Proposal 1: The 2021 Business Report and Financial Statements.
Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.
The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.
Proposal 2: The Company's 2021 earnings distribution.
Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.
The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.
Proposal 3: Preparation of the Company's "2021 Internal Control System Statement."
Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.
The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.
Proposal 4: Partial amendment of the provisions of the Company's "Procedures for Acquisition or Disposal of Assets".
Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.
The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.
Proposal 5: Amendment of the Company's Regulations Governing Share Repurchase and Transfer to Employees.
Resolution: The proposal was passed without objection after consulting with all members present by the chairperson.
The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

(III) The status of corporate governance operation and its differences from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes

Evaluation items	Operations			Its differences from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
I. Does the Company stipulate and disclose its corporate governance best-practice principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?"	V		It has been handled in accordance with the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."	None
II. The shareholding structure and shareholders' equity of the Company (I) Does the Company have an internal operating procedure formed to deal with shareholders' recommendations, doubts, disputes, and litigation matters, and implement it according to the procedures?	V		(I) In order to protect the interests of shareholders, the Company handles shareholders' suggestions or disputes through special personnel, such as, spokespersons and stocks service officer.	None
(II) Does the Company have a list of the ultimate controllers of the major shareholders who actually control the Company?	V		(II) The personnel directly under the administration of the "Chairman's Office" are responsible for mastering the list of the ultimate controllers of the major shareholders who actually control the Company, and interact frequently to establish good relationships and ensure the stability of the business operation.	
(III) Does the Company establish and implement risk controls and firewall mechanisms between the Company and the affiliates?	V		(III) The Company has set up and supervised the operation of the subsidiary.	
(IV) Does the Company have internal regulations formed that prohibit insiders from using unpublished information to buy and sell securities in market?	V		(IV) The Company has formulated the "Procedures for the Prevention of Insiders' Trade" so the internal personnel shall comply with the relevant regulations and internal operating procedures.	
III. The composition and duties of the Board of Directors (I) Has the Board of Directors formulated a diversity policy and specific management objectives, and implemented them?	V		(I) 1. Election of directors of the Company adopts a candidate nomination system in accordance with Article 20, Paragraph 3 of the Company's Corporate Governance Best-Practice Principles. The composition of the Board of Directors should consider diversity, and an appropriate diversification policy should be formulated and implemented according to our own operations, operation type, and development needs. Various aspects of diversity should be assessed, such as	None

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Operations</th><th rowspan="2">Its differences from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root causes</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>basic conditions and values (e.g., gender, age, etc.), expertise (e.g., law, accounting, industry, finance, marketing, or technology) and professional skills and industry experience, and so on.
2. The Company’s current board of directors consists of nine directors. Two are female and three are independent directors. One third (33.3%) of the Board of Directors are also employees of the Company, 33.3% of directors are independent directors, and 22.2% of directors are female. The term of office of two of the independent directors is under than 3 years, while the term of office of one independent director is 4 to 9 years. The ages of the 9 directors are between 52 and 69 years old. All directors generally have accounting and financial analysis capabilities, are superior in leadership, decision-making, operational judgment, business management, and crisis management; also, have industry knowledge and international marketing vision.
<table>
<tr><th>Diversified project / Director Name</th><th>Operational judgment</th><th>Accounting and financial analysis skills</th><th>Management competence</th><th>Crisis management ability</th><th>Industrial knowledge</th><th>International market vision</th><th>Leadership</th><th>Decision-making capacity</th></tr>
<tr><td>Belle Lee</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td></tr>
<tr><td>Benny Chen</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td></tr>
<tr><td>Joseph Lee</td><td>✔</td><td></td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td></tr>
<tr><td>Representative of Liang Yi Investment Co., Ltd.: Chih-Ming Lai</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td></tr>
<tr><td>Ma Wei-Xin</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td></tr>
<tr><td>Yu-An Chen</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td></tr>
<tr><td>Kun-Hsien Lin</td><td>✔</td><td></td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td></tr>
<tr><td>Ting Herh</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td></tr>
<tr><td>Te-Ying Liao</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td><td>✔</td></tr>
</table></td><td></td></tr>
<tr><td>(II) Does the Company voluntarily set up other functional committees besides setting up the Remuneration Committee and the Audit Committee according to law?</td><td>V</td><td></td><td>(II) The Company has duly set up the Remuneration Committee and Audit Committee. All departments concerned assume the respective responsibility and duty about corporate governance. The board of directors has exercised its responsibilities and powers exactly in accordance with laws and ordinances concerned and Articles of Incorporation, decisions resolved in the shareholders’ meeting and the very spirit of corporate governance.</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Operations</th><th rowspan="2">Its differences from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root causes</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(III) Does the Company formulate the rules governing the performance evaluation of the board of directors and the evaluation methods, conduct performance evaluation on a regular basis every year, report the results of the performance evaluation to the board of directors, and apply it as a reference for individual director’s remuneration and nomination for reappointment?</td><td>V</td><td></td><td>(III) The Company has formulated the “Rules Governing the Performance Evaluation of the Board of Directors” on November 12, 2019 to regularly review the effectiveness of the board of directors in order to improve corporate governance.
Performance evaluation methods include internal self-evaluation by the board of directors, self-evaluation by directors, evaluation performed by the appointed external professional institutions, experts, or other appropriate methods.
Performance evaluations are conducted regularly every year. The “Board Performance Evaluation Self-Assessment Questionnaire” and “Directors Self-Assessment Questionnaire” are evaluated according to the evaluation criteria and the evaluation results are recorded and sent to the Board of Directors for review and improvement.
Evaluation indicators and evaluation grade principles:
<table><tr><th>Evaluation of the board of directors performance.</th><th>Self-evaluation on the performance of the board of director members.</th><th>Evaluation of the functional committee.</th></tr><tr><td>• Involvement in Company operations
• Improvement in the quality of the board's decision-making
• Board composition and structure
• Selection and continuous training of directors
• Internal control</td><td>• Mastery of Company goals and tasks
• Awareness of directors' responsibilities
• Involvement in Company operations
• Internal relationship management and communication
• Professional and continuing education for directors
• Internal control</td><td>• Involvement in Company operations
• Recognition of functional committee responsibilities
• Improvement of the decision-making quality of functional committees
• Composition of functional committees and selection of members
• Internal control</td></tr></table>
Outcome of evaluation of the board of directors for 2021:
<table><tr><th>Evaluation of the board of directors performance.</th><th>Self-evaluation on the performance of the board of director members.</th><th>Evaluation of the functional committee.</th></tr><tr><td>Score result 4.95 points</td><td>Score result 4.84 points</td><td>Audit Committee/Remuneration Committee
Score result 4.95 points</td></tr></table>
Overview: The overall results of the performance evaluation of the Board of Directors of the Company in 2021 is between 5 points for "strongly agree" and</td><td></td></tr>
</table>

Evaluation items	Operations			Its differences from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
			4 points for "agree." Overall, the Board of Directors and the functional committees are functioning well. According to Article 9 of the Board of Directors Performance Evaluation Measures, the results of the performance evaluation of the Board of Directors shall be used as a reference for the selection or nomination of directors. The Company will continue to improve the functions of the Board of Directors based on the results of this performance evaluation to improve the effectiveness of corporate governance. It is expected that in the future, the Board of Directors, individual directors, and functional committees of the Company can better perform their functions and lead the Company towards better corporate governance. The Company would report the outcome of the evaluation to the board of directors on March 23, 2022.	
(IV) Does the Company regularly assess the independence of the public auditor?	V		(IV) The Company's accounting department independently evaluates the independence of the certified public accountant annually, obtains the accounting firm's independence statement, and reports the evaluation results to the board of directors. The Company formulates the evaluation items: 1. There is no direct or significant indirect financial interest relationship with the audit client, 2. There is no financing or guarantee act with the audit client, 3. There is no close commercial relationship with the audit client, 4. There is no potential employment relationship with the audit client, and 5. There is no contingent audit fee related to the audit case. 1. The most recent assessment was performed on January 14, 2022. The Accounting Office examined the competence and independence of the public auditor. It had not found any dissatisfaction and violation of the independence of the said public auditor. The proposal was reviewed and approved by the Board of Directors on January 27, 2022.	

Evaluation items	Operations			Its differences from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
IV. Are listed/OTC companies equipped with component and appropriate numbers of corporate governance personnel; also, designate corporate governance officers to be responsible for corporate governance-related affairs (including but not limited to providing directors, supervisors with the information needed to perform business, assisting directors and supervisors in complying with laws and regulations, handling matters related to the board meetings and shareholders meetings in accordance with the law, generating the minutes of board meetings and shareholders meetings)?	V		1. The Corporate Governance Promotion Group of the Company acts as the corporate governance unit, assisting the Board of Directors to promote the establishment of a sound corporate governance structure and implement various corporate governance systems in order to protect shareholders ultimately.	None
V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up stakeholder section on the Company's website, and respond appropriately to important corporate social responsibility issues of concern to stakeholders?	V		The Company has smooth communication and grievance channels held with business owners, suppliers, banks, and employees. The dedicated departments are responsible for communication and coordination to protect their legitimate rights and interests. The Company's website also has a stakeholder section and the email for the contact of stakeholders in order to properly respond to issues of concern to stakeholders.	None
VI. Does the Company commission a professional stock agency to handle the affairs of the shareholders meeting?	V		The Company appointed Taishin Securities Co., Ltd - Stock Service Office to handle various stock transactions of the Company.	None
VII. Information disclosure (I) Does the Company set up a website to disclose financial business and corporate governance information? (II) Does the Company adopt other methods of information disclosure (such as, setting up an English website, designating a person to be responsible for the collection and	 V V		 (I) The company information is disclosed on the Company's website for the reference of shareholders and the public. (II) The Company has designated a person to be responsible for the collection of company information and has information disclosure made on the Market Observation Post System. A spokesperson system has also been established to ensure the information that may affect the decision-making	 None

Evaluation items	Operations			Its differences from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root causes
	Yes	No	Summary description	
disclosure of Company information, implementing a spokesperson system, and placing the incorporated investor conference recording on the Company’s website)? (III) Does the Company announce and report the annual financial report within two months after the fiscal year; also, announce and report the first, second, and third quarter financial reports and monthly operating conditions before the deadline?	 V		of shareholders and stakeholders is immediately disclosed. (III) Filed within the specified time	
VIII. Does the Company have other important information that helps understand the operation of corporate governance (including but not limited to employee benefits, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor advanced study, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the liability insurance acquired for the Company’s directors and supervisors, etc.)?	V		(I) Employees’ Rights and Interests: The Company has always treated employees with sincerity and safeguarded the legitimate rights and interests of employees in accordance with the Labor Standards Law. (II) Employee care: The Company has the Employee Welfare Committee set up with the relevant system stipulated. Such as: Provide subsidies or cultural and recreational activities, community activities, etc. to employees. (III) Social care: Made charitable donations to the Association for No Crime, R.O.C. and to Yuyingmin Elementary School in Houli District of Taichung City. (IV) Investor Relations: The spokesperson is responsible for handling shareholders’ recommendations. (V) Supplier relations: The communication with suppliers is smooth and well executed. (VI) Interests of stakeholders: Stakeholders may communicate with the Company or make suggestions to the Company to protect their legitimate rights and interests. (VII) Implementation of customer policy: The Company maintains a good and stable relationship with its customers to create corporate profits. (VIII) The Company has based on the provisions of the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies” of Taiwan Stock Exchange to allow each director arranging his/her advanced study independently. Note 1	None

Evaluation items	Operations			Its differences from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
			(IX) The liability insurance acquired by the Company for directors and supervisors: The liability insurance for the directors was purchased by the Company in July 2021. (X) Implementation of risk management policies and risk measurement standards: The Company has established various internal regulations in accordance with the law to conduct various risk management and evaluation.	

IX. Please explain the improvement of the Company's corporate governance according to the evaluation results released by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year, and propose the prioritized nonconformities for improvement and the respective measures. (Exempted for those companies that are not included in the assessment list)

Question number	Evaluation Index	Remarks
4.1.	Has the Company set up a full-time (part-time) unit to promote corporate social responsibility, follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, formulate relevant risk management policies or strategies, and disclose these on the Company's website and in its annual report?	This is currently being implemented with expected completion by July 2022
4.3.	Does the Company regularly disclose the specific promotional plans and implementation results of corporate social responsibility on the Company's website or in its annual report?	This is currently being implemented with expected completion by July 2022

Note 1
Board Directors' continuing education

Job title	Name	Date of continuing education		Organizer	Course Title	Continuing education hours
		Start	End			
Independent Director	Te-Ying Liao	10/19/2021	10/20/2021	Securities and Futures Institute	Practical workshop for directors (including independent directors), supervisors, and corporate governance executives	12.0
Director	Ma Wei-Xin	08/06/2021	08/06/2021	Taiwan Corporate Governance Association	Research on Important Economic and Trade Issues and Sharing of Practical Cases of Ethical Management	3.0
		04/15/2021	04/15/2021	Taiwan Corporate Governance Association	Machine Learning-Hardware Design: Biden's New Deal and the Impact of Soaring US Bond Rates	3.0
		04/15/2021	04/15/2021	Taiwan Corporate Governance Association	Prospects of Domestic and Foreign Economic and Industrial Situations and the Impact and Responses of Major Events on the Industry	3.0
Independent Director	Kun-Hsien Lin	09/23/2021	09/23/2021	Taiwan Academy of Banking and Finance	Workshop on Operational Practice and Corporate Governance of Boards of Directors and Supervisors (No. 87)	7.0
		03/19/2021	03/19/2021	Taiwan Academy of Banking and Finance	Seminar for Trust Industry Supervisors (Including On-the-Job) (No. 788)	6.0
Director	Yu-An Chen	09/15/2021	09/15/2021	Taiwan Securities Association	Corporate Governance 3.0 - Blueprint for Sustainable Development	3.0
		08/26/2021	08/26/2021	Securities and Futures Institute	Legal Risks and Countermeasures of Directors and Supervisors from Major Enterprise Malpractice Cases	3.0
Independent Director	Ting Hou	12/07/2021	12/07/2021	Taiwan Stock Exchange	2021 "Cathay Sustainable Finance and Climate Change Summit"	6.0
		11/26/2021	11/26/2021	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Sustainability Challenges and Opportunities for Global Businesses	3.0
		03/23/2021	03/23/2021	Taiwan Insurance Institute	New Trends in Green Energy Investment-Taiwan Renewable Energy Market and Trends-Renewable Energy Industry Sharing	3.0
Director	Benny Chen	12/08/2021	12/08/2021	Securities and Futures Institute	Relevant Norms and Operational Practices for Audit Committees	3.0
		12/02/2021	12/02/2021	Securities and Futures Institute	Key Technologies and Business Opportunities from Quantum Technology	3.0
Director	Belle Lee	12/15/2021	12/15/2021	Securities and Futures Institute	Prove into human resources and M&A integration issues during the process of enterprise M&A.	3.0
		11/15/2021	11/15/2021	Taiwan Institute of Directors	The 10th Annual Chinese Family Business Forum	3.0

(II) If a Company has set up a Remuneration Committee, it should disclose its composition, responsibility, and operation:

(1. Composition and duties of the Remuneration Committee

The Company with the resolution of the board of directors on October 20, 2011 has a remuneration committee formed. The remuneration committee is responsible for enacting and regularly reviewing the annual and long-term performance goals and remuneration policies, systems, standards, and structure for the Company's directors and managers; also, regularly evaluate the performance of the directors and managers of the Company, and determine the content and amount of remuneration for each individual. The members of the fifth-term remuneration committee are as follows:

(1) Remuneration Committee member information

March 30, **2022**

ID type	Conditions / Name	Professional qualifications and experience (Note 2)	Status of independence (Note 3)	Serve as a member of the Remuneration Committee of other public companies
Convener	Ting Herh	Please refer to page 24 for content related to director information (1)	Please refer to page 24 for content related to director information (1)	0
Member	Kun-Hsien Lin	Please refer to page 24 for content related to director information (1)	Please refer to page 24 for content related to director information (1)	0
Member	Te-Ying Liao	Please refer to page 24 for content related to director information (1)	Please refer to page 24 for content related to director information (1)	0

2. The operation of the Remuneration Committee

I. The Remuneration Committee of the Company is composed of with 3 members.

II. The tenure of this term: August 17, 2021 to August 16, 2024. The Remuneration Committee had held 6 meetings (A) in the most recent year; also, the member qualifications and attendances are as follows:

Job title	Name	Actual number of attendance (B)	Frequency of attendance by proxy	Actual attendance ratio (%) (B/A) (Note)	Remarks
Convener	Ting Herh	6	-	100%	Re-elected
Member	Kuo-Chi Tsai	3	-	100%	Stepped down on August 16, 2021
Member	Maosheng Chu	3	-	100%	Stepped down on August 16, 2021
Member	Kun-Hsien Lin	3	-	100%	Newly appointed on August 17, 2021
Member	Te-Ying Liao	3	-	100%	Newly appointed on August 17, 2021

Other information to be published:

I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it shall state the board meeting date, term, content of the proposal, the resolutions of the Board of Directors, and the Company's handling the opinions of the Remuneration Committee (such as, the salary and remuneration approved by the Board of Directors is better than the recommendations of the Remuneration Committee), and should explain the difference and its reasons): None

II. For the resolutions of the Remuneration Committee, if members have objections or reservations raised and have a record or written statement kept, it shall state the Remuneration Committee meeting date, term, content of the proposal, the opinions of all members, and the handling of the members' opinions: None

III. Scope of authority of the Remuneration Committee:

The following functions and powers should be faithfully carried out in good faith and the recommendations should be submitted to the Board of Directors for discussion.

I. Review this procedure regularly and propose amendments.

II. Establish and regularly review the policies, systems, standards, and structures of the performance evaluation and remuneration for the Company's directors and managers.

III. Regularly evaluate and determine the salary and remuneration of directors and managers.

The Committee shall perform the responsibilities as stated in the preceding paragraph in accordance with the following principles:

I. Ensure that the Company's remuneration arrangements are in compliance with relevant law and regulations and are sufficient enough to attract talents.

II. The performance evaluation and remuneration of directors and managers should be determined by referring to the standards of the industry, including the reasonable connection of the personal performance, the Company's operating performance, and future risks.

III. Directors and managers should not be led to engage in an act exceeding the tolerable risk of the Company for the pursuit of remuneration.

IV. The ratio of remuneration distributed and partial change in remuneration payment time for the short-term performance of directors and senior managers, the characteristics of the industry and the nature of the Company's business should be taken into account.

V. Members of the Remuneration Committee are not allowed to participate in discussing and voting on their personal salary and remuneration decision-making process.

The so-called "salary and remuneration" referred to in the preceding two paragraphs includes cash remuneration, stock options, dividend shares, pension or severance pay, various allowances, and other measures with substantial rewards; the scope of the remuneration shall be consistent with the remuneration of the directors and managers stated in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

IV. Important resolutions of the remuneration committee in 2021 and 2022 and up to the publication date of the annual report:

January 28, 2021 (the seventh session of the fourth term) discussion of proposals:

Proposal 1: The Company's distribution of annual bonus to managers for 2020.

Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.

Proposal 2: The salary adjustment of the managers by the Company in 2021.

Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.

Proposal 3: The Company's 2020 remuneration distribution to employees and directors

Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.

April 26, 2021 (the eighth session of the fourth term) discussion of proposals:

Proposal 1: The Company's salary distribution of manager and employees for 2020.

Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.

June 28, 2021 (the ninth session of the fourth term) discussion of proposals:

Proposal 1: Amendment of some provisions of the Company's "Rules Governing the Distribution of Remuneration to Directors and Independent Directors."

Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.

September 2, 2021 (the first session of the fifth term) discussion of proposals:

Proposal 1: Salary and remuneration of the new president of the overseas business department of the Company.

Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.

The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.

Proposal 2: Remuneration of the Company's new Chief Business Officer
Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.
The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.

November 11, 2021 (the second session of the fifth term) discussion of proposals:
Proposal 1: Adjustments to video attendance fees for the Remuneration and Audit Committees and the Board of Directors.
Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.
The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.
Proposal 2: Consideration of an application by former CEO of the Company Mr. C.S. Chen for the payment of pension.
Resolution: All members in attendance agreed for retirement benefits to be paid to former CEO Mr. C.S. Chen. The payment amount was submitted to the Board of Directors for resolution.
The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.
Proposal 3: The pension case of Mr. Benny Chen, the former President of the Company.
Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.
The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.

January 27, 2022 (the third session of the fifth term) discussion of proposals:
Proposal 1: The Company’s distribution of annual bonus to managers for 2021.
Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.
The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.
Proposal 2: The salary adjustment of the managers by the Company in 2022.
Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.
The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.
Proposal 3: The Company’s 2021 remuneration distribution to employees and directors
Resolution: The resolutions of the audit committee handled by the Company: Passed unanimously by the board directors present.
The opinions of the remuneration committee handled by the Company: Passed unanimously by the board directors present.

(V) Fulfilling social responsibility:

Difference of the social responsibility fulfillment from the requirements of the "Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies" and the root causes

Evaluation items	Operations			Its differences from the "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and its root causes
	Yes	No	Summary description	
I. Does the Company establish a governance structure to promote sustainable development, and set up a designated full-time (or part-time) unit to promote Sustainable Development, and the Board of Directors authorizes senior management to handle this and the Board of Directors supervises the situation?		V	The company established a sustainable development committee, reporting to the general manager, to promote the sustainable development of the company; it is required to report their achievements each year.	Compliance with the Corporate Social Responsibility Best-Practice Principles for the TSEC/GTSM Listed Companies
II. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		1. The sustainable development committee has begun assessing risks over environment, society, and corporate governance since 2021. See 2021 Sustainability Report - Risk Management Report for details of the assessment made. 2. The company has established the "Corporate Governance Code" to guide its risk management.	Compliance with the Corporate Social Responsibility Best-Practice Principles for the TSEC/GTSM Listed Companies
III. Environmental issues (I) Does the Company establish a suitable environmental management system based on its industrial characteristics?	V		Environmental management related systems have not yet been established	This will be researched and formulated in the future according to actual needs
(II) Is the Company committed to improving the efficient use of resources and using recycled materials that have a low impact on the environment?	V		Describe the Company's policies to improve energy efficiency and use recycled materials, including but not limited to: base year data, driving measures, goals, and achievement status.	The Company's electronic products follow eco design and eco production to avoid environmental impact arising from our products. Statistics on the recycling of packaging materials and the recycling of metal parts are slated

Evaluation items	Operations			Its differences from the "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and its root causes
	Yes	No	Summary description	
				to begin starting from 2022.
(III) Does the Company assess the current and future potential risks and opportunities of climate change for the Company, and take measures to respond to climate-related issues?		V	Through the Sustainability Committee, the Company will conduct assessments on the risks and opportunities of climate change from 2021 and make these disclosures in the ESG Report; refer to the section on 3.2 Risk Management in the ESG Report.	
(IV) Does the Company count the greenhouse gas emissions, water consumption, and total weight of waste of the last two years, and formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management?		V	1. Describe the statistical data and intensity of the following items in the last two years (e.g., calculated on a per unit basis of product, service or turnover) and data coverage (e.g., all factories and subsidiaries): (1) Greenhouse gases: including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride, and others announced by the central competent authorities. We distinguish direct emissions (Scope 1, i.e., directly from emissions sources owned or controlled by the Company), indirect emissions from energy (Scope 2, i.e., indirect greenhouse gas emissions from imported electricity, heat or steam) and other indirect emissions (Scope 3, i.e., emissions from corporate activities and non-energy indirect emissions from sources owned or controlled by other companies); (2) Water consumption; (3) Waste: we distinguish the total weight of hazardous waste and non-hazardous waste. In the case of a non-manufacturer, there is no need to distinguish and only the total weight of the waste is to be disclosed, and explain the statistical methods in accordance with the characteristics of the industry. 2. Describe policies for GHG reduction, water reduction or other waste management, including but not limited to: base year data, reduction targets, promotion measures and achievement status, etc. 3. State the verification status of each item of information (they should be still valid as of the printing date of the	(IV) The Company has implemented various energy conservation and carbon reduction measures to support the promotion of energy conservation and carbon reduction. For example, control the office temperature with the air conditioner, turns off the lights, saves water consumption, uses energy-saving lamps, separates and recycles garbage, and recycles resources. Develop specific improvement goals according to relevant regulations and actual conditions. The Company will conduct greenhouse gas inspections starting from 2022, and water usage, waste volume, and related reduction performances are to be disclosed in the ESG report. Refer to sections 4.2-4.4 of the 2021 Annual Report

Evaluation items	Operations			Its differences from the "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and its root causes
	Yes	No	Summary description	
			annual report) as well as their coverage.	
IV. Social issues (I) Does the Company formulate relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	V		Describe policies and specific management plans to protect human rights (e.g., human rights assessment, human rights risk mitigation measures, and relevant education and training) and the relevant laws and international human rights conventions on which they are based.	1. The Company has reported the "Work Rules" for records and the Labor Safety and Health Rules that have been approved by the Department of Labor. 2. The Company will formulate a human rights policy in 2022 and announce it on our website; and we shall implement human rights training through annual education and training.
(II) Does the Company formulate and implement reasonable employee benefits measures (including remuneration, vacation, benefits, etc.) and appropriately reflect operating performance or results in employee salary and compensation?	V		1. The stated employee benefit measures should include but not be limited to: employee compensation, workplace diversity, and equality (including but not limited to the proportion of female staff and senior managers), vacations, each item of allowances, gifts and subsidies, etc. 2. Describe how business performance or results are reflected in employee compensation policies and their implementation.	(II) The Company has established an Employee Welfare Committee, formulated the "Working Rules," and stipulate the rules governing salary and compensation.
(III) Does the Company create a safe and healthy working environment for employees, and regularly provide safety and health education to employees?	V		1. Describe the measures for employee safety and healthy working environment, the education policy for employees, and their implementation. 2. Describe the relevant verifications obtained by the Company (they should be still valid as of the printing date of the annual report) as well as their coverage. 3. State the number of cases, number of employees, and their ratio to the total number of employees in the current year as well as related improvement measures.	(III) The "Labor Safety and Health Rules" submitted by the Company in accordance with the law has been approved by the Department of Labor. The Company provides a safe and healthy working environment for employees with annual labor health check benefits included. Please refer to page 85 of the annual report.
(IV) Does the Company establish an effective career development training program for its employees?	V		Describe the areas covered by training programs (e.g., newcomer training, professional development, supervisor training, etc.) and their scope (e.g., supervisors at all levels, colleagues, etc.) as well as their implementation.	(IV) The Company has established a comprehensive welfare system and planned a variety of educational training courses to enhance the job competence of employees.

Evaluation items	Operations			Its differences from the "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and its root causes
	Yes	No	Summary description	
(V) Does the Company comply with relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services; also, formulate relevant consumer protection policies and grievance procedures?	V		Describe the laws and regulations as well as international standards followed by each item, and state the name, content, and complaint procedures under policies policy to protect the rights and interests of consumers or of customers.	(V) Consumer-related rights are clearly stated in the contract, and special units are set up to fulfill the warranty obligations. The Company has established ISO: 13485 Medical Equipment Quality System to protect consumer safety.
(VI) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues, such as, environmental protection, occupational safety and health, or labor rights, and their implementation?	V		1. Describe supplier management policies and related compliance specifications; moreover, their content should have positive and specific requirements for suppliers in environmental protection, occupational safety and health or labor rights (e.g., they must pass the relevant verifications). 2. Describe the implementation of supplier management policies and related compliance specifications (e.g., supplier conduct self-assessments, coaching or education, performance evaluation, etc.).	(VI) The Company has the "Regulations Governing the Selection and Management of Suppliers" stipulated for selecting suitable suppliers. The Company's quality management system has passed the internationally recognized latest edition (2015) of the ISO 9001 quality management system certification with a certificate received, in addition to meeting international quality control requirements; it is in line with the international community. For disclose of supplier evaluation results from the 2021 ESG Report, refer to section 4.5 of the Report
V. Does the Company compile reports on corporate non-financial information, such as, corporate social responsibility reports, by referring to internationally accepted reporting standards or guidelines? Did the assurance, guarantee, or opinions of a public verification unit obtained for the aforementioned reports?		V	1. Describe the referenced international compilation standards or guidelines as well as prepared reports disclosing non-financial information. 2. In obtaining assurance or verification, the name of the verification unit, the verification items or scope, and the standards they follow should be clearly stated or guaranteed.	The Company has compiled the 2021 ESG report in accordance with the GRI Standards. It is scheduled to be released in July 2022 and will be guaranteed by a third party.
VI. If the Company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its operation and the Principles: The Company has compiled the 2021 ESG report in accordance with the GRI Standards. It is scheduled to be released in July 2022 and will be guaranteed by a third party.				
VII. Other important information helpful to understand the implementation of sustainable development: environmental protection, garbage sorting and recycling, resource recycling and reuse: such as PET bottles, second-hand paper, and iron and aluminum cans.				

(VI) The ethical management of the Company and the measures adopted:

Difference of the ethical management performance from the requirements of the "Ethical Management Best Practice Principles for TWSE/GTSM-Listed Companies" and the root causes

Evaluation items	Operations			Its differences from the "Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
I. Establishing ethical management policies and programs (I) Does the Company formulate an ethical management policy approved by the board of directors, and clearly state the policies and practices of ethical management in the regulations and external documents, and the board of directors and senior management actively implement the business policy?	V		(I) The Company has established the "Ethical Management Best-Practice Principles." A responsible person is designated for the formulation, supervision, and implementation of the ethical management policy and prevention plan, and reports to the Board of Directors on a regular basis.	None
(II) Does the Company have established an evaluation mechanism for the risk of unethical conduct, regularly analyzed and evaluated business activities with a higher risk of unethical conduct within the business scope, and formulates a plan to prevent unethical conduct, which at least cover the precautionary measures for the unethical conduct listed in Article 7, Paragraph 2 of the "Ethical Management Best Practice Principles for TWSE/GTSM-Listed Companies."		V	(II) The Company has not yet established an assessment mechanism for the risk of unethical conduct. It is currently in the planning process. In order to ensure an ethical management operation, the Company has established an effective accounting system and internal control system. Internal auditors regularly check the compliance with the aforementioned system. The Company's Employee Work Rules clearly stated that employees must not use their powers to seek illegal benefits, accept hospitality, receive kickback and gifts, and embezzle public funds and properties or other illegal interests; also, do not negligently disclose the Company's technology or business secrets in order to avoid employees' sacrificing company's equity for personal gains.	Being studied and worked out by the Company.
(III) Does the Company clearly define the operating procedures, guidelines for conduct, disciplinary act and appeal system in the plan to prevent unethical conduct, implement it, and regularly review and revise the aforementioned plan?	V		(III) The Company has formulated the "Procedures for Ethical Management and Guidelines for Conduct" to regulate the relevant operation procedures. Internal auditors regularly review and revise the aforementioned plan.	None
II. Implementing ethical management (I) Does the Company assess the ethical conduct record of the counterparty and specify the terms of ethical conducts in the contract signed with the counterparty?	V		(I) Does the Company assess the legality of the customer and supplier and whether they have any record of unethical conduct before dealing with them?	None
(II) Does the Company have formulated a dedicated unit to promote corporate ethical management under the board of directors, and regularly (at least once a year) report to the board of directors	V		(II) The Audit Office of the Company is responsible for the formulation, supervision, and implementation of the ethical management policy and prevention plan, and reports to the	

Evaluation items	Operations			Its differences from the "Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
the ethical management policy and plans to prevent unethical conduct and monitor its implementation?			Board of Directors.	
(III) Does the Company have a policy to prevent conflicts of interest, provide a proper communication channel, and implement it accordingly?	V		(III) The Company's Employee Work Rules clearly stated that employees must not use their powers to seek illegal benefits, accept hospitality, receive kickback and gifts, and embezzle public funds and properties or other illegal interests; also, do not negligently disclose the Company's technology or business secrets in order to avoid employees' sacrificing company's equity for personal gains.	None
(IV) Does the Company have established an effective accounting system and internal control system for the implementation of ethical management, and the internal audit unit based on the assessment of the risk of unethical conduct to draft up relevant audit plans, and checked the compliance with the plan in preventing unethical conduct, or commissioned a certified public accountant to perform an audit?	V		(IV) In order to ensure the implementation of ethical management, the Company has established an effective accounting system and internal control system, and internal auditors regularly check the compliance of the said system.	None
(V) Does the Company regularly hold ethical management education and training internally and externally?	V		(V) The Company maintains the principle of good faith with its customers, handles customer complaints in a timely manner, and actively takes measures to minimize the loss of both parties in order to secure the trust of customers. The Administration Office of the Company clearly defines the job responsibilities and employee grievance; also, clearly defines the prevention of conflict of interest policy and communication channel in the management procedures.	None
III. The operation of the Company's reporting system				
(I) Does the Company have a specific reporting and reward system, a convenient reporting channel, and an appropriate officer assigned to deal with the reported individual?	V		The Company has a "Chairperson's Mailbox for suggestions and grievances" to handle the Company's major nonconformities, frauds, and other matters in a confidential manner for the protection of the reporting individuals. The relevant departments have been instructed to handle the specific project as quickly as possible. According to the reward and punishment regulations in the "Work Rules," the employees with unethical acts committed are accordingly reported for a disciplinary action.	None
(II) Does the Company have established standard operating procedures for investigating any incident reported, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms?	V			
(III) Does the Company take measures to protect the reporting personnel from improper treatment?	V			
IV. Strengthening information disclosure				
(I) Does the Company disclose the contents of its "Ethical	V		The Company has disclosed the contents of the "Ethical	None

Evaluation items	Operations			Its differences from the "Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
Management Best-Practice Principles" and the achievement in implementation on the website and Market Observation Post System?			Management Best-Practice Principles" on the Company's website and Market Observation Post System; also, the achievement in implementation is disclosed in the annual report.	
V. If the Company has its own "Ethical Management Best-Practice Principles" stipulated in accordance with the "Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies," please describe its operation and its differences from the "Ethical Management Best-Practice Principles" stipulated: None VI. Other important information that helps understand the operation of ethical management (such as, the Company reviews and amends its established "Ethical Management Best-Practice Principles," etc.): None				

(VII) The Company has established the Corporate Governance Best-Practice Principles and related regulations inquiry method: the website of UNITED INTEGRATED SERVICES CO., LTD. (http://www.uisco.com.tw)

(VIII) Other important information that helps understand the operation of corporate governance: None

(IX) The implementation of the internal control system should be with the following information disclosed:

1. Internal Control Statement

UNITED INTEGRATED SERVICES CO., LTD.

Internal Control Statement

Date: March 23, 2022

The 2021 internal control system of the Company is declared as follows according to the results of self-inspection:

I. The Company is aware that the establishment, implementation, and maintenance of the internal control system is the responsibility of the Board of Directors and the management of the Company. The Company has established such system. The purpose is to provide reasonable assurance in terms of achieving the goals of operational effectiveness and efficiency (including profitability, performance, asset safety, etc.), reporting reliability, timeliness, transparency, meeting relevant regulations, and compliance with relevant law and regulations.

II. The internal control system has its inherent limitations. Regardless of how well the design is perfected, an effective internal control system can only provide reasonable assurance in achieving the above three objectives. Moreover, due to changes in the environment and conditions, the effectiveness of the internal control system may change. However, the Company's internal control system is designed with a self-monitoring mechanism. The Company can take corrective actions immediately upon identifying nonconformities.

III. The Company judges whether the design and implementation of the internal control system is effective based on the criteria of the effectiveness of the internal control system as stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria of the effectiveness of the internal control system as stated in the "Regulations" has internal control system divided into five elements according to the management and control process: 1. Environment control, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Monitoring operations. Each element contains several items. Please refer to the "Regulations" for the aforementioned items.

IV. The Company has adopted the aforementioned criteria of the internal control system to evaluate the effectiveness of the design and implementation of the internal control system.

V. The Company based on the results of the previous assessment believes that the internal control system (including the supervision and management of subsidiaries) on December 31, 2021, including understanding the operational effectiveness and the achievement in efficiency, the reliability, timeliness, and transparency of reporting, and the design and implementation of the internal control system complying with the relevant requirements and regulations, is effective and can reasonably ensure the achievement of the aforementioned objectives.

VI. This statement will become the main content of the Company's annual report and prospectus, and is hereby made known to the public. If the content of the disclosure in the preceding paragraph is illegal or concealed, it will involve legal liabilities as stated in Articles 20, 32, 171, and 174 of the Securities and Exchange Act

VII. This Statement has been passed by the Board of Directors Meeting of the Company held on March 23, 2021, where none of the 9 attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

UNITED INTEGRATED SERVICES CO., LTD.

Chairperson: Belle Lee (signed)

President: Joseph Lee (signed)

(person with equivalent responsibilities)

2. If a certified public accountant is commissioned to examine the internal control system, the review report of the CPA should be disclosed: None.

(X) In the most recent year and up to the publication date of the annual report, if the Company and its internal personnel were punished according to law, or the Company punished its internal personnel for violating the provisions of the internal control system, and the results of the punishment may have a significant impact on shareholders' equity or securities prices, the punishment content, major nonconformity, and improvements shall be detailed:

(XI) Important resolutions of the shareholders meeting and the Board of Directors in the most recent year and as of the annual report printing date:

1. Important resolutions reached in the 2021 Shareholders Meeting and their implementation

1.1 2021 General Shareholders' Meeting

Time: At 9:00am, August 17, 2021 (Tuesday)

Location: Chinatrust Executive House (No.219-2, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City)

Attendance: The total number of shares attended by shareholders present in person and by proxy was 155,637,406 shares (including 65,723,643 shares with voting rights exercised electronically and 6,025,792 shares with voting rights exercised in writing), accounting for 81.66% of the 190,586,698 in total issued shares.

Directors present: C.S. Chen, Benny Chen, representatives of Liang Yi Investment Co., Ltd. Belle Lee and Yu-An Chen

Convener of present independent directors/Audit Committee members: Ting Herh

Attending: CPA Fu-jen Chen of KPMG Taiwan, Attorney Ling-Hsuan Chen of Joius Law Firm

Chairperson: C.S. Chen

I. Company Reports:

(I) 2020 Business report.

(II) 2020 Audit Committee's audit report.

(III) 2020 Report on remuneration to employees and directors.

(IV) 2020 Report on allocation of earnings.

(V) Report on the implementation of mainland China investment (please refer to Meeting Agenda Handbook for details.)

Spoken by shareholder Hsin Wei Huang, account number D0000010:

If I may ask, the transactions between United Integrated Services and Han Xuan and Han Te have not been approved by the Board of Directors and the Audit Committee. Have the independent directors investigated whether there has been a violation of procedures for acquisition and disposal? What was the result?

The presiding chair replied: United Integrated Services in this case constitutes a non-acquired asset of a contracted project, and the competent authority has also been so informed.

Ting Herh, independent director of the Audit Committee, replied: the attorney is requested to reply.

Attorney Ling-Hsuan Chen: The subsidiary was established according to a resolution of United Integrated Services's Board of Directors. A contract was established between the parent and the subsidiary,and there is no need to apply for the procedures for obtaining and disposing of them, and renewals are also announced.

Spoken by shareholder Yi Ming Chen, account number D0000006:

The Company's press releases on September 23 and December 4 of 2020 and on January 27, 2021 stated that orders for solar energy equipment constitute orders and not contracts. The transaction amounts were 7.9 billion for Han Xuan and 500 million for Han Te, while the Company's financial statements of last year listed Han Xuan at 8.1 billion and Han Te at 8.1 billion. Why are the background amounts different from the press releases?

Attorney Ling-Hsuan Chen: The press release announcements were announcements of the orders on behalf of the order maker. The nature is to contract for the entire project, and acqusitions and disposals do not apply.

The presiding chair replied: we signed a contract for United Integrated Services to carry out development activities, but we have not yet bought and sold solar equipment.

Spoken by shareholder Jung Yang, account number 00030466: I earned NT$6.8 in the first two quarters of this year, while last year, I made NT$20 for the whole year. With the gross profit margin declining, may I ask what is the future trend of the Company? The Company is expected to develop wireless smart home system R&D and so on; will this be the main product going forward? And are R&D expenses sufficient?

Spoken by shareholder Dayuan Magazine Co., Ltd., account number 00161474: How much did it cost to invest in Han Xuan and in Han Te Energy? Where did the money come from to place the order? Why is the green energy business listed as under the Chairperson instead of under the President?

Spoken by shareholder Jung Yang, account number 00030466: On September 9, 2020, the Company signed a land installation solar lease agreement with an annual lease of NT$8.4 million yuan for 20 years, and the lease transaction recognized usage rights of NT$141.343 million. I hope the announcement will be clear and avoid misunderstandings; and that the spokesperson and the acting spokesperson are likewise cautious.

Spoken by shareholder Dayuan Magazine Co., Ltd., account number 00161474: The announcement seems to say that the order has been obtained, yet the chairperson is now explaining that if the solar power plant cannot be built, the order will be cancelled. Why did he send such a major message? Is there any suspicion of hype?

Spoken by shareholder Jung Yang, account number 00030466: Please ask the Audit Committee to understand the Company's cash reinvestment ratio, as well as the cost of work-in-progress and allowance losses for inventories. In addition, the Company invested 34.79 million in unlisted companies, and the valuation adjustment saw a reduction of 27.99 million, leaving 6.8 million. Independent directors should remind the Company to pay attention to this.

The above shareholders' remarks were answered and respectively explained by the presiding chair and by the relevant personnel designated by the presiding chair.

II. Proposals:

Proposal 1: The 2020 Business Report and Financial Statements. (Proposed by the Board of Directors)

Spoken by shareholder Tien Lun Wu, account number D0000008:

According to the press release, the solar energy transaction amount was 7.9 billion, while United Integrated Services's paid-in capital is 1.9 billion and the capital of Han Xuan and Han Te is even smaller. With the Chairperson making such a decision for both sides, is this the case of a double-sided proxy? Is there room for improvement?

The presiding chair replied: This will change in the future, and in fact the Board of Directors of United Integrated Services has fully discussed the direction of solar development.

Spoken by shareholder Cheng Hsin Huang, account number D0000009: The Chairperson or other candidates nominated by the Board of Directors have sent declarations and solicitation letters. Is this a misuse of Company resources for personal gain?

The presiding chair replied: The Board of Directors had recommendations from directors; therefore, as the Chairperson of the Board, I sent a letter to shareholders to explain that the content of the two sides was in parallel. This situation has also been reported to the competent authorities.

Resolutions: The attending shareholders were with 155,637,406 voting shares; the shareholders that voted “in favor” were with 142,767,415 shares, the shareholders that voted “not in favor” were with 233,266 shares, and the shareholders that “abstained” were with 12,636,725; the number of shares that voted “in favor” accounted for 91.73% of the total voting shares of all attending shareholders. The proposal was approved.

Proposal 2: The 2020 Earnings Distribution Plan. (Proposed by the Board of Directors)

Resolutions: The attending shareholders were with 155,637,406 voting shares; the shareholders that voted “in favor” were with 142,702,425 shares, the shareholders that voted “not in favor” were with 362,432 shares, and the shareholders that “abstained” were with 12,572,549; the number of shares that voted “in favor” accounted for 91.68% of the total voting shares of all attending shareholders. The proposal was approved.

Implementation: Cash dividend distribution date: July 16, 2021

III. Discussions:

Proposal 1: Partial amendment of the provisions of the Company’s “Parliamentary Rules for Shareholders' Meetings". (Proposed by the Board of Directors)

Resolutions: The attending shareholders were with 155,637,406 voting shares; the shareholders that voted “in favor” were with 141,186,777 shares, the shareholders that voted “not in favor” were with 592,784 shares, and the shareholders that “abstained” were with 13,857,845; the number of shares that voted “in favor” accounted for 90.71% of the total voting shares of all attending shareholders. The proposal was approved.

Implementation: It has been processed according to the revised procedure.

Proposal 2: Partial amendment of the provisions of the Company’s “Articles of Association” (Proposal is proposed by the shareholders in accordance with the provision of Article 172-1 of the Company Act)

Resolutions: The attending shareholders were with 155,637,406 voting shares; the shareholders that voted “in favor” were with 127,231,624 shares, the shareholders that voted “not in favor” were with 13,107,308 shares, and the shareholders that “abstained” were with 15,298,474; the number of shares that voted “in favor” accounted for 81.74% of the total voting shares of all attending shareholders. The proposal was approved.

Implementation: It has been processed according to the revised procedure.

Proposal 3: Cash capital reduction and refund of shareholder payments. (Proposal is proposed by the shareholders in accordance with the provision of Article 172-1 of the Company Act)

Resolutions: The attending shareholders were with 155,637,406 voting shares; the shareholders that voted “in favor” were with 42,465,363 shares, the shareholders that voted “not in favor” were with 73,646,575 shares, and the shareholders that “abstained” were with 39,525,468; the number of shares that voted “in favor” accounted for 27.28% of the total voting shares of all attending shareholders. The proposal was not approved.

IV. Elections:

Proposal: The election of all board directors. (Proposed by the Board of Directors)

Election results:

UNITED INTEGRATED SERVICES CO., LTD.
2021 General Shareholders' Meeting
List of elected directors

Director:

Account number or identity document number	Account title or name	Election shares
00000095	Belle Lee	176,737,869
00000010	Benny Chen	147,513,178
A22062****	Ma Wei-Xin	111,836,274
00000007	Yu-An Chen	111,703,768
00000246	Liang Yi Investment Co., Ltd. Representative: Chih-Ming Lai	111,493,218
J10115****	Joseph Lee	93,778,615

Independent director:

Account number or identity document number	Account title or name	Election shares
C10131****	Kun-Hsien Lin	108,748,768
00150434	Te-Ying Liao	107,559,608
E10255****	Ting Hou	78,891,508

V. Other Proposals:

Proposal: Lift the restriction of non-compete off the newly elected directors and their representatives.
(Proposed by the Board of Directors)

UNITED INTEGRATED SERVICES CO., LTD.
Schedules of restrictions on non-compete conduct to be lifted

Job title	Name	Concurrent company name and position
Director	Benny Chen	The director of Jiangxi Construction Engineering (Group) Co., Ltd., the incorporated representative of the Director of Ablerex Electronics Co., Ltd., Wholetech System Hitech Limited, and Huayuan Engineering Company, and Chairperson of Jiangxi United Integrated Services Company, Suyuan Trading (Shanghai) Company, Suzhou Hantai System Integration Company, Hitpoint Co. Ltd., Beijing Hanhe Tang Medical Devices Company, and United Integrated Services Company (Singapore).
Director	Joseph Lee	Director of Jiangxi United Integrated Services Company, Managing Director of Yunhao Electrical Engineering Office
Director	Yu-An Chen	Director of Ablerex Electronics Co., Ltd., Director of Z-COM, Inc., Director of JG Environmental Technology Co., Ltd., Director of Eco Energy Corporation Co., Ltd.
Independent director	Ting Herh	Chairperson of DAVICOM Semiconductor Inc.
Director	Representative of Liang Yi Investment Co., Ltd.: Chih-Ming Lai	Director and president of ChenFull International Co., Ltd. and Director of CHENFULL PRECISION CO., LTD.
Director	Ma Wei-Xin	Chairperson of HannsTouch Solution Incorporated, Chairperson of Glorystone Inc., Chairperson of Jinpingguo Investment (Inc.), Chairperson of Golden Apple Investment Co., Director of HannStar Display Corporation, Director of Walsin Lihwa Corp., Director of Winbond Electronics Corporation.

Resolutions: The attending shareholders were with 155,637,406 voting shares; the shareholders that voted “in favor” were with 131,890,562 shares, the shareholders that voted “not in favor” were with 2,543,681 shares, and the shareholders that “abstained” were with 21,203,163; the number of shares that voted “in favor” accounted for 84.74% of the total voting shares of all attending shareholders. The proposal was approved.

VI. Motions:

Proposal: Partial amendment of the provisions of the Company’s “Procedures for Making of Endorsements / Guarantees.”
(Proposer: submitted by shareholder under attendance card No. 3)

Resolutions: The attending shareholders were with 155,637,406 voting shares; the shareholders that voted "in favor" were with 84,615,926 shares, the shareholders that voted "not in favor" were with 8,000 shares, and the shareholders that "abstained" were with 64,987,688; the number of shares that voted "in favor" accounted for 54.37% of the total voting shares of all attending shareholders. The proposal was approved.

Implementation: It has been processed according to the revised procedure.

2. Minutes of 2021 Board of Directors Meetings

2.1. Time: January 28, 2021 (Thursday), 10:00 AM

I. Company Reports

(I) Report on the evaluation over the performance by the Company's board of directors and functional committees in 2020.

(II) Report on completion of the incorporation registration of the Company's subsidiary in the United States.

(III) Report on implementation of the credit lines for mid-term and long-term house secured loans with financial institutions.

(IV) Report on the plan to enhance the Company's capability to work out financial statements and on the progress of implementation.

II. Proposal discussion

Proposal 1: Passed the issue about change in the certified public accountants to certify the Company's financial statement.

Proposal 2: Passed the independence and competency assessment performed on the Company's public auditor.

Proposal 3: Passed an addition of the Company's "management over the process to work out the financial statement."

Proposal 4: Passed the capital increase through cash injection toward the Company's subsidiary Han Xuan Energy Co., Ltd.

Proposal 5: Passed the Company's distribution of annual bonus to managers in 2020.

Proposal 6: Passed the Company's 2021 manager pay raise.

Proposal 7: Passed the Company's 2020 remuneration distribution to employees and directors.

2.2. Time: March 10, 2021 (Wednesday), 10:00 AM

I. Proposal discussion

Proposal 1: Passed to partial amendment of the provisions of the Company's "Parliamentary Rules for Shareholders' Meetings".

Proposal 2: The election of all board directors.

Proposal 3: Lift the restriction of non-compete off the newly elected directors and their representatives.

Proposal 4: Passed the time scheduled to convene the Company's 2021 shareholders' regular meeting on May 28, 2021.

2.3. Time: March 23, 2021 (Tuesday), 10:00 AM

I. Company Reports

(I) Important financial operation reports:

1. Important financial business report
   (1) Endorsement/Guarantee report: None
   (2) Loaning of funds report
   (3) Cash equivalents and use of credit line granted by financial institutions report
2. Business overview report
3. Subsidiary business overview report

(II) Internal audit business report

II. Proposal discussion

Proposal 1: Passed the Company's 2020 business report and financial statement.

Proposal 2: Passed the Company's 2020 earnings distribution.

Proposal 3: Passed the Company's "2020 Internal Control System Statement."

Proposal 4 Passed the nomination of the candidates for directors and independent directors.

2.4. Time: April 15, 2021 (Thursday), 10:00 AM

I. Discussions

Proposal 1: Passed the confirmation of candidates for directors

Proposal 2: Lift the restriction of non-compete off the newly elected directors and their representatives.

Proposal 3: Passed the partial amendment of the provisions of the Company's "Articles of Association". (Proposal is proposed by the shareholders in accordance with the provision of Article 172-1 of the Company Act)

Proposal 4: Cash capital reduction and refund of shareholder payments. (Proposal is proposed by the shareholders in accordance with the provision of Article 172-1 of the Company Act)

Resolution: The proposal was passed and submitted to the general meeting of shareholders for discussion. In response to the content of the proposal, except for Yu Chang Lin, the representative of Liang Yi

Co., who expressed respect for the rights of both parties, the remaining eight directors all opposed the content of the proposal.

Proposal 5: Approved the new proposal for the Company's 2021 general meeting of shareholders.

2.5. Time: May 12, 2021 (Wednesday), 10:00 AM

I. Company Reports:

(I) Important financial business report

1. Important financial business report
   (1)Endorsement/Guarantee report: None
   (2)Loaning of funds report
   (3)Cash equivalents and use of credit line granted by financial institutions report
2. Business overview report
3. Subsidiary business overview report

(II) Internal audit business report

(III) The Company's 2021 Q1 consolidated financial statements.

(IV) Report on the plan to enhance the Company's capability to work out financial statements and on the progress of implementation

II. Discussions

Proposal 1: Passed the Company's remuneration distribution to managers and employees in 2020.

2.6. Time: June 28, 2021 (Monday), 10:00AM

I. Discussions

Proposal 1: By stipulating changes in matters related to the holding of the 2021 General Meeting of Shareholders in response to the "Relevant Measures for Postponing the Shareholders' Meetings of Public Offering Companies in Response to the Epidemic" announced by the Financial Supervisory Commission on May 20, 2021, the shareholders' meeting was to be suspended from May 24, 2021 to June 30, 2021 and should be postponed to July 1, 2021 to August 31, 2021.

Proposal 2: Passed the amendments to some provisions of the Company's Rules Governing the Distribution of Remuneration to Directors and Independent Directors.

Proposal 3: Passed remuneration of financial statement CPA.

Proposal 4: Passed cash capital increase of US subsidiary.

Proposal 5: Passed purchase of land in Tainan.

2.7. Time: August 12, 2021 (Thursday), 10:00 AM

I. Company Reports

(I) Important financial business report

1. Important financial business report
   (1) Endorsement/Guarantee report: None
   (2) Loaning of funds report
   (3) Cash equivalents and use of credit line granted by financial institutions report
2. Business overview report
3. Subsidiary business overview report

(II) Internal audit business report

(III) The Company's efforts toward the liability insurance policy for directors.

II. Discussions

Proposal 1: Passed the Company's 2021 Q2 consolidated financial statements.

Proposal 2: Passed the new increase of the credit lines for short-term comprehensive loans with financial institutions.

Proposal 3: Passed the partial amendment of the provisions of the Company's "Procedures for Making of Endorsements / guarantees".

2.8. Time: August 17, 2021 (Tuesday), 1:30 PM

I. Elections

Proposal 1: For election of the Chairperson of the company, all the directors present agreed to elect Ms. Belle Lee as Chairperson.

II. Discussions

Proposal 1: For appointment of members of the Remuneration Committee, members of the 5th Remuneration Committee of the Company are proposed as the three independent directors Kun-hsien Lin, Ting Herh, and Te-Ying Liao.

2.9. Time: September 2, 2021 (Thursday), 10:00 AM

I. Discussions

Proposal 1: Passed salary and remuneration of the new president of the overseas business department of the Company.

Proposal 2: Passed remuneration of the Company's new Chief Business Officer

2.10 Time: November 11, 2021 (Thursday), 10:10 AM

I. Company Reports

(I) Important financial operation reports

1. Important financial business report
    (1) Endorsement/Guarantee report: None
    (2) Loaning of funds report
    (3) Cash equivalents and use of credit line granted by financial institutions report
2. Business overview report
3. Subsidiary business overview report

(II) Internal audit business report

II. Discussions

Proposal 1: Passed the Company's 2021 Q3 consolidated financial statements.
Proposal 2: Passed the Company's 2022 annual audit plan.
Proposal 3: Passed to issue a letter of support to five financial institutions for a comprehensive line of credit application by United Integrated Services (USA) Corp., a 100% invested subsidiary of the Company.
Proposal 4: The Company intends to endorse the project undertaken by United Integrated Services (USA) Corp., a subsidiary in the United States.
Proposal 5: Passed adjustments to video attendance fees for the Remuneration and Audit Committees and the Board of Directors.
Proposal 6: Passed consideration of an application by former CEO of the Company Mr. C.S. Chen for the payment of pension.
Proposal 7: Passed the pension case of Mr. Benny Chen, the former President of the Company.

3. Minutes of 2022 Board of Directors Meetings

3.1. Time: January 27, 2022 (Thursday), 11:00 AM

I. Discussions

Proposal 1: Passed the independence and competency assessment performed on the Company's public auditor.
Proposal 2: Passed remuneration of financial statement CPA.
Proposal 3: Passed the Company's distribution of annual bonus to managers for 2021.
Proposal 4: Passed the Company's 2022 manager pay raise.
Proposal 5: Passed the Company's 2021 remuneration distribution to employees and directors.

2.3. Time: March 8, 2022 (Tuesday), 10:00 AM

I. Discussions

Proposal 1: Passed proposed acquisition of real estate in Tainan.
Proposal 2: Passed buyback of issued common stock of the Company.
Proposal 3: Passed the proposed convening of the Company's 2022 general meeting of shareholders. Time: May 26, 2022 (Thursday) at 9:00 AM. Venue: Chinatrust Executive House (No. 219-2, Section 3, Zhongxing Road, Xindian District, New Taipei City).

3.3. Time: March 23, 2022 (Wednesday), 10:00 AM

I. Company Reports

(I) Important financial operation reports:

1. Important financial business report
    (1) Endorsement/Guarantee report: None
    (2) Loaning of funds report
    (3) Cash equivalents and use of credit line granted by financial institutions report:
2. Business overview report
3. Subsidiary business overview report

(II) Internal audit business report

(III) Other important company reports

1. The Company's 2021 annual Board of Directors Performance Evaluation report:

II. Discussions

Proposal 1: Passed the Company's 2021 business report and financial statement.
Proposal 2: Passed the Company's 2021 earnings distribution.
Proposal 3: Passed the Company's 2021 remuneration distribution to employees and directors.
Proposal 4: Passed the preparation of the Company's "2021 Internal Control System Statement."
Proposal 5: Passed the partial amendment of the provisions of the Company's "Articles of Association".
Proposal 6: Passed the partial amendment of the provisions of the Company's "Procedures for Acquisition or Disposal of Assets".
Proposal 7: Passed the partial amendment of the Company's "Code of Practice for Corporate Governance."
Proposal 8: Passed amendment of the Company's Regulations Governing Share Repurchase and Transfer to Employees.
Proposal 9: Passed change of the Company's address.
Proposal 10: Approved the new proposal for the Company's 2022 general meeting of shareholders.

(XII) For the resolutions of the Board of Directors in the most recent year and as of the annual report printing date, if the directors have different opinions on the resolutions reached by the Board of Directors and have a record or written statement made, the main contents are: None

(XIII) Summary of the resignation and dismissal of the Company's chairman, general manager, accounting officer, financial officer, internal audit supervisor, corporate governance officer, and R&D officer in the most recent year and up to the publication date of the annual report:

Summary of the resignation of the relevant individuals of the Company

April 15, 2022

Job title	Name	Date of reporting to duty	Date of dismissal	Reason for resignation or dismissal
Chief Executive	C.S. Chen	April 9, 2014	August 31, 2021	Retirement
President	Benny Chen	September 26, 2000	October 31, 2021	Retirement

IV. CPA auditing fee information

CPA auditing fee information

Amount: NT$ Thousands

Name of CPA Firm	Name of CPA	Auditing period of CPA	Audit fees	Non-audit fees	Total	Remarks
KPMG Taiwan	Chihkai Chen	January 2021 to December 2021		180	**180**	Audit into direct deduction method for business tax (VAT).
KPMG Taiwan	Tsunglin Li	2021	-	500	**500**	2020 tax certification
KPMG Taiwan		2021	-	111	**111**	US TPT-tax
KPMG Taiwan	Chang Chi	2021	-	400	**400**	Transfer pricing
KPMG Taiwan	Tsunglin Li	2021	-	80	**80**	Overseas funds Repatriation
KPMG Taiwan	Tsunglin Li Fu-jen Chen	January 2021 to December 2021	5,670	-	5670	Audit fees
KPMG Taiwan	Tsunglin Li Fu-jen Chen	January 2021 to December 2021	-	50	50	Information of the salary remuneration to non-supervisor full-timers

Note: If the Company has changed the certified public accountant or accounting firms during the year, please indicate the audit period separately, and explain the reason for the replacement in the remark column;

also, disclose the audit and non-audit expenses in an orderly manner. Non-audit expenses should be annotated to explain service content.

V. Information on CPA replacement

(I) About the predecessor CPA

<table>
<tr><td>Replacement date</td><td colspan="4">January 2021</td></tr>
<tr><td>Reason for and description of replacement</td><td colspan="4">Internal job adjustment</td></tr>
<tr><td rowspan="3">Explain whether it is terminated by the principal or the CPA, or the appointment is declined by the CPA</td><td colspan="2">Contractual parties / Status</td><td>CPA</td><td>Principal</td></tr>
<tr><td colspan="2">Proactive termination of appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td colspan="2">No longer accepting (continuously) appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>The audit report issued with an opinion other than unqualified opinion within two years and the reasons</td><td colspan="4">None</td></tr>
<tr><td rowspan="6">Is there any disagreement with the issuer?</td><td rowspan="4">Yes</td><td colspan="2"></td><td>Accounting principles or practice</td></tr>
<tr><td colspan="2"></td><td>Disclosure in financial report</td></tr>
<tr><td colspan="2"></td><td>Audit scope or steps</td></tr>
<tr><td colspan="2"></td><td>Others</td></tr>
<tr><td>None</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Remarks</td></tr>
<tr><td>Other disclosures
(The disclosures made according to Section 1.4 ~ Section 1.7, Paragraph 6, Article 10 of the Regulations)</td><td colspan="4">None</td></tr>
</table>

(II) About the successor CPA

Name of CPA Firm	KPMG Taiwan
Name of CPAs	CPA: Tsunglin Li CPA Fu-jen Chen
Date of appointment	January 2021
The consultation on accounting treatment methods and accounting principles for specific transactions and possible opinion issued on the financial report prior to appointment and its result	None
Written opinion of the successor CPA that is different from the opinion of the predecessor CPA	None

(III) The reply of the predecessor accountant to the matters stated in Section 1 and Section 2.3 of Paragraph 6 of Article 10 of the Regulations: Not applicable.

(IV) Evaluation into certified public accountants' attribute in independence

The Company's Audit Committee members evaluate the certified public accountants' distribution of independence through the key issues as enumerated below:

1. The certified public accountants' detached declaration of independence
2. A same certified public accountant did not at all continually render certification services for more than seven (7) years in a row.
3. The Company conducts an evaluation through the Accounting Department over the key points of independence attribute of the certified public accountants each and every year.

VI. The Company's Chairperson, President, manager of finance or accounting who has worked in the public auditor's CPA Firm or affiliates within the most recent year: None.

VII. Changes in shareholdings of directors, managers, and major shareholders

(I) Changes in shareholdings of directors, managers, and major shareholders.

Job Title	Name	2021		2022 through March 28	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairperson	Belle Lee	2,000	—	116,000	—
Director	Liang Yi Investment Co., Ltd.	—	—	—	—
Incorporated representative of the Director	Chih-Ming Lai	—	—	—	—
Director	Benny Chen	(783,840)	—	(27,000)	—
Director	Joseph Lee	—	—	—	—
Director	Yu-An Chen	—	—	—	—
Director	Kuan-Ming Lin	—	—	—	—
Independent Director	Ting Herh	—	—	—	—
Independent Director	Kun-Hsien Lin	—	—	—	—
Independent Director	Te-Ying Liao	—	—	—	—
Chief Executive Officer	Belle Lee	2,000	—	116,000	—
Chief Technology Officer	Joseph Lee	—	—	—	—
President of Overseas Business Department	Chih-Ming Lai	—	—	—	—
Chief Business Officer	Hsu Chun Yuan	—	—	—	—
Vice President	Hsiangching Tseng	—	—	—	—
Accounting Officer	Limei Pan	—	—	—	—
Finance Officer	Liyu Lin	(5,000)	—	—	—
Vice President	Juichin Wu	—	—	—	—
Vice President	Chunhsiung Wang	—	—	—	—

(II) Equity transfer information: None

(III) Equity pledge information: None

VIII. Top-ten shareholders who are the relatives to each other as stipulated in Article 6 of the Financial Accounting Standards or the spouses and the second cousins

March 28, 2022

Name	Shareholding of the Principal		Shareholding of the spouse and minor children		Total shares held in the name of others		The titles, names, and relationships of the top-ten shareholders who are related or the spouses and the second cousins.		Remarks
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Name	Relationship	
Belle Lee	8,943,867	4.69%	-	-	-	-	Kuo-Yu Wang Kuo-Wei Wang	Daughter Son	-
Liang Yi Investment Co., Ltd.	7,173,571	3.76%	-	-	-	-	-	-	-
American JPMorgan Chase Bank Taipei Branch has been entrusted to take custody of Stichting Depositary APG Emerging Market Equity Mutual Fund	4,945,000	2.59%	-	-	-	-	-	-	-
Kuo-Yu Wang	3,855,524	2.02%	-	-	-	-	Belle Lee	Mother/daughter	-
Kuo-Wei Wang	3,854,160	2.02%	-	-	-	-	Belle Lee-	Mother/son	-
Song Quan Company Limited	3,500,800	1.84%	-	-	-	-	-	-	-
C.S. Chen	2,902,434	1.52%	-	-	-	-			-
Yen Chun Wang	2,811,586	1.48%	-	-	-	-			-
Citi (Taiwan) Commercial Bank has been entrusted to take custody of the investment account of the Central Bank of Norway.	2,699,000	1.42%	-	-	-	-	-	-	-
Shui Chu Cheng	2,410,400	1.26%	-	-	-	-	-	-	-

IX. Comprehensive shareholding ratio:

Unit: Shares; %; March 31, 2021

Transfer investment	The Company's investment		Directors, managers, and investments of the directly or indirectly controlled business		Comprehensive investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Ablerex Electronics Co., Ltd.	14,986,502	33.30%	—	—	14,986,502	33.30%
Wholetech System Hitech Limited	9,946,080	13.61%	—	—	9,946,080	13.61%
UNITED INTEGRATED SERVICES CO., LTD. (BVI)	17,698,630	100.00%	—	—	17,698,630	100.00%
Youli System Manufacturing Co., Ltd.	2,095,000	19.49%	—	—	2,095,000	19.49%
Jiangxi United Integrated Services Company	Note 1	75.00%	—	—	Note 1	75.00%
UNITED INTEGRATED SERVICES CO., LTD. (Singapore)	Note 1	100.00%	—	—	Note 1	100.00%
JG Environmental Technology Co., Ltd.	3,463,989	16.90%	—	—	3,463,989	16.90%
Eco Energy Corporation	6,629,959	16.57%	—	—	6,629,959	16.57%
Han Xuan Energy Co., Ltd.	50,000,000	100.00%			50,000,000	100.00%
Han Te Energy Co., Ltd.	9,000,000	100.00%			9,000,000	100.00%
UNITED INTEGRATED SERVICES (USA) CORP	50,000,000	100.00%			50,000,000	100.00%

Note: Investment of the Company under the equity method. Note 1: It is registered with the capital contribution amount indicated.

Four. Public offering

I. Capital stock and shares

(I) Source of capital: Unit: Thousand shares; NT$ Thousands

Month/Year	Issuing Price (NT$)	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Paid-in capital of assets other than cash	Others
September 1982	10	Note 1	5,100	Note 1	5,100	Initial capital stock	None	
August 1985	10	Note 1	15,100	Note 1	15,100	Capitalization of cash	None	
August 1987	10	Note 1	55,100	Note 1	55,100	Capitalization of cash	None	
July 1988	10	Note 1	85,100	Note 1	85,100	Capitalization of cash	None	
November 1990	10	14,060	140,600	14,060	140,600	Consolidated capital increase	None	
November 1991	10	17,100	171,000	17,100	171,000	Capitalization of cash	None	
August 1995	10	90,000	900,000	42,230	422,300	Capitalization of cash and earnings	None	
September 1996	10	90,000	900,000	50,676	506,760	Capitalization of earnings	None	
May 1997	10	90,000	900,000	60,811	608,112	Capitalization of earnings	None	
May 1998	10	90,000	900,000	76,930	769,297	Capitalization of earnings and employee bonus	None	
August 1998	10	90,000	900,000	89,930	899,297	Capitalization of cash	None	1998.7.22 (1998) Tai.Chai.Jen (I) No. 59372 Letter
August 1999	10	180,000	1,800,000	114,322	1,143,222	Capitalization of earnings and employee bonus	None	1999.7.8 (1999) Tai.Chai.Jen (I) No. 62332 Letter
July 2000	10	180,000	1,800,000	145,313	1,453,129	Capitalization of earnings, additional paid-in capital, and employee bonus	None	2000.6.20 (2000) Tai.Chai.Jen (I) No. 53145 Letter
July 2001	10	180,000	1,800,000	163,675	1,636,755	Capitalization of earnings, additional paid-in capital, and employee bonus	None	2001.6.8 (2001) Tai.Chai.Jen (VI) No. 136314 Letter
July 2002	10	180,000	1,800,000	179,216	1,792,158	Capitalization of earnings and employee bonus	None	2002.6.14 Tai.Chai.Jen -I No. 0910132448 Letter
July 2003	10	210,000	2,100,000	188,840	1,888,398	Capitalization of earnings and employee bonus	None	2003.7.1 Tai.Chai.Jen -I No. 0920129184 Letter
March 2004	10	210,000	2,100,000	190,210	1,902,097	Corporate bond converted to stock shares	None	2004.3.5 Jin.So.Sun.Tzi No. 09301036350
June 2004	10	210,000	2,100,000	194,594	1,945,937	Corporate bond converted to stock shares	None	2004.6.25 Jin.So.Sun.Tzi No. 09301110720
August 2004	10	300,000	3,000,000	214,738	2,147,379	Capitalization of earnings and employee bonus; corporate bond converted to stock shares	None	2004.8.17 Jin.So.Sun.Tzi No.09301152040
August 2005	10	300,000	3,000,000	236,613	2,366,127	Capitalization of earnings and employee bonus; corporate bond converted to stock shares	None	2005.8.18 Jin.So Sun.Tzi No.09401158100
August 2006	10	300,000	3,000,000	251,072	2,510,724	Capitalization of earnings and employee bonus	None	2006.8.18 Jin.So.Sun.Tzi No.09501182170
September 2011	10	300,000	3,000,000	247,483	2,474,834	Capital decrease with Treasury Stock cancelled	None	2011.9.21 Fu.Du.Jen.Tzi No. 10071686000
December 2011	10	300,000	3,000,000	238,233	2,382,334	Capital decrease with Treasury Stock cancelled	None	2011.12.06 Jin.So.Sun.Tzi No.10001274090
October 2018	10	300,000	3,000,000	190,587	1,905,867	Capital decrease with cash refunded	None	2018.10.26 Jin.So.Sun.Tzi No.10701133530

Note 1: The Company was originally a limited company; therefore, the number of shares is not stated.

As of April 15, 2022. Unit: Shares

Shares stock shares	Authorized capital stock			Remarks
	Outstanding shares	Unissued stock shares	Total	
Common stock	190,586,698 (issued shares)	109,413,302	300,000,000	

The public offering and issuance of securities by shelf registration: None.

(II) Shareholder structure

March28, 2022

Shareholder structure / QTY	Government agency	Financial institution	Other legal persons	Individuals	Foreign institutions and foreigners	Total
Number of persons	1	23	273	36,170	258	36,725
Shareholding	173,200	4,316,047	21,952,558	119,128,162	45,016,731	190,586,698
Shareholding ratio	0.09%	2.26%	11.52%	62.51%	23.62%	100.00%

(III) Equity dispersion

March 28, 2022

Shareholding bracket	Number of shareholders	Shareholding	to total shares
1 ～ 999	13,424	2,896,295	1.52%
1,000 ～ 5000	19,939	36,766,460	19.29%
5,001 ～ 10,000	1,745	13,454,285	7.06%
10,001 ～ 15,000	557	7,041,955	3.69%
15,001 ～ 20,000	297	5,364,337	2.81%
20,001 ～ 30,000	241	6,096,611	3.20%
30,001 ～ 40,000	140	4,898,016	2.57%
40,001 ～ 50,000	79	3,654,848	1.92%
50,001 ～ 100,000	152	10,709,062	5.62%
100,001 ～ 200,000	70	10,299,321	5.40%
200,001 ～ 400,000	34	9,671,852	5.07%
400,001 ～ 600,000	9	4,271,054	2.24%
600,001 ～ 800,000	10	6,875,911	3.61%
800,001 ～ 1,000,000	4	3,395,795	1.78%
1,000,001 and higher to be classified according to actual conditions	24	65,190,896	34.21%
Total	36,725	190,586,698	100.00%

(IV) Major shareholders list

Shareholders holding more than 5% of total shares or the top-ten shareholders. March 28, 2022

Name of major shareholders \ Shares	Shareholding	Shareholding ratio
Belle Lee	8,943,867	4.69%
Liang Yi Investment Co., Ltd.	7,173,571	3.76%
American JPMorgan Chase Bank Taipei Branch has been entrusted to take custody of Stichting Depositary APG Emerging Market Equity Mutual Fund	4,945,000	2.59%
Kuo-Yu Wang	3,855,524	2.02%
Kuo-Wei Wang	3,854,160	2.02%
Song Quan Company Limited	3,500,800	1.84%
C.S. Chen	2,902,434	1.52%
Yen Chun Wang	2,811,586	1.48%
Citi (Taiwan) Commercial Bank has been entrusted to take custody of the investment account of the Central Bank of Norway.	2,699,000	1.42%
Shui Chu Cheng	2,410,400	1.26%

(V) Price per share, net worth, earnings, dividends, and related information for the last two years

Unit: NT$

Item \ Year			2020	2021	As of March 31, 2022
Price per share	Max.		231.50	275.50	200.00
	Min.		130.50	169.00	173.00
	Average		198.42	210.41	182.74
Net asset value per share	Before distribution		52.49	50.41	-
	After distribution		35.49	To be resolved	-
Earnings per share	Weighted average shares		190,586,698	190,586,698	-
	Earnings per share		21.16	14.53	-
Dividend per share	Cash dividend		17	To be resolved	-
	Stock dividend	Earnings distribution	-	-	-
		Additional paid-in capital	-	-	-
	Accumulated unpaid dividend		-	-	-
Return on investment analysis	Profit-Earnings ratio (P/E ratio)		9.38	14.48	-
	Ratio of dividend		11.67	To be resolved	-
	Cash dividend yield		8.57	To be resolved	-

(VI) Company’s dividend policy and implementation

1. Dividend policy

   The Company’s earnings, if any, should be applied to pay tax and make up for losses, and then appropriate 10% legal reserve. However, when the legal reserve is equivalent to the paid-in capital of the Company, the appropriation of the legal reserve could be ceased. In addition, special reserves will be appropriated or reversed according to law and regulations. The remaining amount, if any, plus the accumulated undistributed earnings will be available for distribution according to the proposal of the Board of Directors. The distribution of dividends to the shareholders should be presented in the shareholders' meeting for resolutions.

   For the earnings distribution in the form of cash dividend as stated in the preceding paragraph, the Board of Directors is authorized to have it distributed with a special resolution reached and have it reported in the shareholders' meeting.

   The Company’s dividend policy is based on current and future development plans, considering the investment environment, capital needs, and domestic and international competition, and taking into account the interests of shareholders and other factors, in order to stabilize business development and protect investors’ rights and interests. The dividends to shareholders can be in the form of cash dividend and/or stock dividend; also, the cash dividend is not less than 25% of the total dividend.

   If the Company has no loss, the earnings distribution can be resolved specifically in the shareholders meeting according to the Company Act, which is issuing stock dividend or cash dividend with the legal reserve exceeding 25% of the paid-up capital and all or part of the capital reserve in compliance with the Company Act. When cash dividend is to be distributed, the Board of Directors is authorized to have it distributed with a special resolution reached and have it reported in the shareholders' meeting.
2. The dividend distribution proposed in the current shareholders meeting

   On March 23, 2022, the Board of Directors of the Company proposed the profit distribution plan for 2021, with a proposed distribution of dividends of NT$2,462,131,074 all to be distributed in the form of cash dividends for NT$13.00 per share.
3. Significant changes in the expected dividend policy: The aforementioned policies will be implemented accordingly in the next three years without significant changes expected.

(VII) The impact of the proposed stock dividend proposed by the shareholders’ meeting on the Company’s operating performance and earnings per share: The Company had no stock dividend distributed in 2021; therefore, it is not applicable.

Unit: NT$ thousand

Item / Year			2022
Paid-in capital - beginning			1,905,867
Distribution of stock dividend and cash dividend in current year	Cash dividend per share (NT$)		13.00
	Stock dividend (shares) per share from the capitalization of earnings		-
	Stock dividend (shares) per share from the capitalization of additional paid-in capital		-
Changes in business performance	Operating profit		-
	Ratio of increase (decrease) in operating profit over the same period last year		-
	Net income		-
	Ratio of increase (decrease) in net income over the same period last year		-
	Earnings per share		-
	Ratio of increase (decrease) in earnings per share over the same period last year		-
	Annual average return on investment (annual average E/P ratio)		-
Proforma earnings per share and P/E ratio	If the capitalization of earnings is fully distributed with cash dividends	Proforma earnings per share (NT$)	-
		Proforma annual average return on investment	-
	If the capitalization of additional paid-in capital is not arranged	Proforma earnings per share (NT$)	-
		Proforma annual average return on investment	-
	If the capitalization of additional paid-in capital is not arranged and the capitalization of earnings is with cash dividend distributed	Proforma earnings per share (NT$)	-
		Proforma annual average return on investment	-

(VIII) Remuneration of employees and directors

1. The percentage or range of remuneration to employees and directors as stipulated in the Company's Articles of Association:
   According to the Company's Articles of Association, if the Company has earnings resulted in the year; an amount equivalent to 6%~10% of the earnings should be appropriated as remuneration to employees. The Board of Directors decides the distribution of stock dividend and cash dividend; also, the employees of controlled or subsidiary companies that meet certain conditions are also entitled to the said remuneration. The Board of Directors of the Company may base on the aforementioned earnings to resolve having not more than 2% of the earnings appropriated as remuneration to directors. The remuneration to employee and directors shall be reported in the shareholders meeting.
2. If the estimation basis for the remuneration to the employees and directors, the basis for the calculation of the stock dividend as remuneration to employees, and the actual distribution amount different from the estimated amount in the current period, the accounting treatment is as follows:
   If the estimation basis for the remuneration to the employees and directors, the basis for the calculation of the stock dividend as remuneration to employees, and the actual distribution amount in 2021 different from the estimated amount in the current period, they are booked in the profit and loss in 2022.
3. The distribution of remuneration resolved by the Board of Directors:
   (1) The amount of remuneration to employees and directors with cash dividend or stock dividend distributed. If it is different from the amount estimated in the expense recognizing year, the amount of differences and the root cause should be disclosed.
   Here at the Company in 2021, the report on distribution of remuneration to employees and remuneration to directors was passed in the board of directors meeting convened on March 23, 2022, with remuneration to employees amounting to NT$378,000,000 and remuneration to directors amounting to NT$32,400,000.

Unit: NT$

Distribution items	**The distribution amount proposed by the Board of Directors (A)**	**The amount estimated in the expense recognizing year (B)**	**Amount of difference (B-A)**	**Reason for difference and treatment**
Employee cash bonus	378,000,000	378,000,000	0	None
Remuneration of Directors	32,400,000	32,400,000	0	

   (2) The stock dividend distributed as remuneration to employees and the ratio to the total amount of net income and remuneration to employees in the subsidiary's financial report or the individual financial report in the current period: the Company has no intention to distribute stock dividends to employees in 2021.
4. The earnings of the previous year used for the distribution of remuneration to employees and directors:

Unit: NT$ thousand

	Last year (2020)			
	The actual distribution of stock shares is resolved in the shareholders meeting	The distribution of stock shares originally proposed by the Board of Directors	Variance	Reason for difference
Distribution 1. Employee cash bonus 2. Employee stock dividend 3. Remuneration to directors and supervisors	 524,000 47,000	 524,000 47,000	 None None	-

(IX) Repurchase of the Company's stock shares

April 15, 2022

Repurchase term	1st time	2nd time	3rd time	4th time	5th time	6th time	7th time
Purpose of repurchase	Transfer shares to employees	Transfer shares to employees	Transfer shares to employees	Transfer shares to employees	Transfer shares to employees	Transfer shares to employees	Transfer shares to employees
Repurchase period	2000.11.23~2001.01.22	2001.08.08-2001.10.07	2001.10.09-2001.12.08	2008.07.24-2008.09.23	2008.10.22-2008.11.20	2011.08.11-2011.10.7	2022.03.09-2022.05.06
Repurchase price range	22 ~ 30	14 ~ 29	12 ~ 27	15.50 ~ 30	12 ~ 28	23 ~ 33	170-250
Type of stock and shares repurchased	Common stock 3,000 thousand shares	Common stock 6,067 thousand shares	Common stock 7,000 thousand shares	Common stock 8,871 thousand shares	Common stock 1,257 thousand shares	Common stock 7,993 thousand shares	Common stock 3,000 thousand shares
Amount of repurchase shares	71,680,603	116,721,309	139,154,310	191,412,351	17,339,767	229,318,034	573,943,069
The ratio of the quantity bought back to the quantity planned to be bought back (%)	100%	60.67%	100%	44.36%	8.38%	42.07%	100%
Number of shares that have been processed for sale and transfer	3,000 thousand shares	6,067 thousand shares	7,000 thousand shares	8,871 thousand shares	1,257 thousand shares	7,993 thousand shares	0 share
Cumulative shareholding of the Company's stock	—	—	—	—	—	—	3,000 thousand shares
Ratio of cumulative shareholding of the Company's stock to the total number of issued shares (%)	—	—	—	—	—	—	3,000 thousand shares

II. Issuance of corporate bond: None
III. Issuance of preferred stock: None.
IV. Issuance of global depository receipt: None.
V. Issuance of employee stock warrant: None.
VI. Merger or acquisition or transfer of shares from other company with stock shares issued: None.
VII. Implementation of fund utilization plans: The Company did not have securities issued or private placement arranged in the most recent year.

Five. Operational overview

I. Business content

(I) Business scope

1. The main business content and business ratio of the Company:
   (1) Main contents: The construction of semiconductor, optoelectronics and other technology plants; the consultancy work for cleanrooms, control, electromechanical, and special process system construction, design, and planning; and maintenance operation services.
   (2) Business ratio:

Item	2020	2021
System integration	99.42%	99.20%
Maintenance service	0.16%	0.17%
Design business and product sales	0.42%	0.63%

(II) Industry overview

1. Current and future industry prospects:
   (1) The Company has primarily engaged in such business lines as to serve the high-tech industry in planning for plant construction and expansion, including the semiconductor industry, optoelectronics industry, packaging and testing industry, solar energy industry, LED industry, biotechnology industry and the like. Given the Company's revenue in the past five years, the aforementioned industries account for more than 90% of the Company's total revenues.
   (2) Factory construction is very hot in Taiwan's high-tech industry, but there are many competitors in mainland China.Customer selection is also a key consideration, and revenue this year should be able to maintain the same level as the prior year.
   (3) Enthusiasm has remained high for factory construction in Taiwan in the past two years, and the US market is also contributing to revenues to a certain extent. Revenues from major customers can sustain at a level above that of last year.
2. Relevance of the up, middle and downstream amidst industries:
   Our Company undertakes system integration services for the construction of high-tech plants. For that purpose, we must possess the technology and sufficient management workforce. In terms of suppliers including subcontracting manufacturers and suppliers for materials and equipment, we possess multiple supply sources and are virtually free of the risk of being cut off from or insufficient supply. Toward the price increase of materials and the shortage of skilled workers with special expertise, nevertheless, we must try hard in prevention with sound educational & training programs so that we may be free of problems in mounting costs and shortage of workforce.
3. Product development trend and competition:
   (1) The whole plant construction services will become a very natural trend in the future. Our company is one of very few capable manufacturers in our country and our primary competitors are Maister and L&K Engineering Co., Ltd.
   (2) In terms of clean room integration services, amidst the weakening of the competitiveness of foreign manufacturers, our market share of the has boosted significantly. Other competitors include L&K Engineering Co., Ltd., Maister, Acter Co. Ltd. and Yankey Engineering Co., Ltd..
   (3) The electromechanical integration service is attributed to local characteristics and, in turn, is less subject to foreign competition. In this regard, our Company is in a leading position. Primary competitors are L&K Engineering Co., Ltd., Acter Co. Ltd., and Yankey Engineering Co., Ltd.
   (4) The Hook-UP Project is divided into multiple professional systems where all systems are formidable competitors. Our Company is more competitive in the power and PCW professions.
4. The impact incurred by the coronavirus pandemic (COVID-19) upon the Company.
   Projects in progress in Taiwan have not been subject to an impact so far. For mainland China construction sites, there have been no order cancellations even though construction periods have been affected. Since the Company's major revenues are coming from within Taiwan and the US in the present year, there would not be a too significant impact upon our overall revenues

(III) Technology and R&D overview

1. R&D expenses invested in the last two years and as of December 31, 2021:

Unit: NT$ thousand

Year	R&D expense	% of current annual operating expense	% of current annual operating income
2020	34,723	3.2649%	0.0969%
2021	30,000	3.1680%	0.1172%

2. Research and development achievement:
   (1) Continuing to develop wireless home security monitoring system that helps make the overall system

more complete.

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

1. In the short term, the business opportunities in market will grow to a certain extent, and the Company's revenue will also grow. Under this circumstance, it is also necessary to strengthen internal management, reduce costs, train cadres, upgrade technology, and perform customer service work to meet future challenges.
2. In the long run, we will deepen the integration of high-tech factory systems on both sides of the strait and strengthen the markets outside the two sides of the strait, making the Company the largest system integration service provider on both sides of the strait and becoming a world-class company.
3. In response to TSMC's establishment of a factory in the United States, our Company sets up a new firm in the United States to vigorously boost.
4. We shall set up a Green Energy Business Office to put forth maximum possible efforts to develop solar photovoltaic-related businesses.
5. The wireless security monitoring product R&D will be enhanced. Wireless security monitoring businesses had begun to become profitable. In the future, we will try our best to expand the market share and to increase turnover and profit.

II. Market and production and sales overview

(I) Market analysis

1. Major target markets for our sales of commodities or businesses: Unit: NT$ thousand

		2020		2021	
Item	Area	Amount	%	Amount	%
System integration	Domestic	33,433,048	93.29	22,481,446	87.80
	Offshore	2,197,493	6.13	2,920,258	11.40
Maintenance service	Domestic	55,997	0.16	44,154	0.17
	Offshore	0	0	0	0
Design business and product sales	Domestic	144,785	1.40	154,857	0.61
	Offshore	5,319	0.02	5,426	0.02
Total		35,836,642	100	25,606,141	100

2. Future market supply and demand:

— Taiwan —

Investment in the optoelectronic industry in Taiwan has decreased, but semiconductor industry investment is still strong and constitutes the main foundation for the steady development of the Company.

— Mainland China —

Mainland semiconductors still have a certain amount of investment power. However, the investment power of the panel industry has declined compared with previous years.

3. Business objectives

The Company has based on the business philosophy of "profession, teamwork, and efficiency" to accumulate technical experience for more than a decade, cultivate and recruit outstanding talents in related fields; also, has established a reputation of professionalism and quality in the industry. The trust and affirmation of customers has helped the business of the Company grow. The continuous management improvement will help reduce operating costs and enhance profitability of the Company. Given the gradual expansion of market demand, the established business objectives could be ensured.

4. Advantages and disadvantages affecting the Company's future development

Advantages

(1) Investment in the semiconductor industry is strong while investment in the panel industry is weakening, which is beneficial to the Company's competitiveness
(2) The Company is in a leading position in business performance and has easily obtained customer trust and government engineering bidding qualifications to win over businesses.
(3) In a large-scale and complex integration project, there are not many domestic competitors who can compete. If competitors are foreign manufacturers, the Company has the advantages of familiarity with local operating environment, local relevant regulations, and local low-cost technology and management.
(4) Taiwanese businesspeople in Mainland China are more experienced in the high-tech industry

because they share the same culture and background as the mainlanders. Therefore, they retain certain competitiveness.

(5) The Company has an experienced technical and management team with low operational risks for difficult projects.

Disadvantages

(1) The experience of the owners in building factories is increasingly established and the effort in cost control is maturing. It is not easy to have a high profit margin while price competition is severe. In particular, the recent sharp rise in raw materials, workforce shortages and such rising prices will become an impact. In this regard, the Company has been working hard to improve and upgrade its procurement, management, technology, construction methods, and in-house processing improvements; therefore, this unfavorable factor can be minimized.

(2) The competition in this industry is fierce over smaller projects.

(II) Intended use of the main products and production process

1. Intended use of the main products:

(1) System integration: Integrate system control and electromechanical engineering, including the design planning, installation, and test of the computer, communication, instruments, automation engineering and utilities, air conditioning, fire protection, etc. in order to satisfy the overall needs of the customers.

(2) Maintenance Engineering: Various maintenance engineering services are provided to fulfill the needs of customers for a smooth operation.

(3) Design business: Mainly for the design of mechanical and electrical engineering, computer room engineering, etc. of new factory buildings.

2. Production process: not applicable.

(III) Availability of major raw materials: Not applicable.

(IV) The name of the customers who had accounted for more than 10% of the total purchases (sales) of goods in one of the last two years and the amount and proportion of the goods purchased (sold), and the reasons for any increase or decrease occurred:

1. Main suppliers:

Major suppliers in the last two years Unit: NT$ Thousands

	2020				2021				As of the prior quarter of 2022 (Note)			
Item	Name	Amount	% of annual net purchase amount	Relationship with the issue	Name	Amount	% of annual net purchase amount	Relationship with the issue	Name	Amount	% of the net purchase amount up to the last quarter of the current year	Relationship with the issue
1	Supplier A	7,679,774	25.47%	None	Supplier A	3,355,119	15.59%	None	-	-	-	-
2	Supplier B	1,077,506	3.57%	None	Supplier B	588,316	2.73%	None	-	-	-	-
3									-	-	-	-
4									-	-	-	-
5									-	-	-	-
6									-	-	-	-
7									-	-	-	-
8									-	-	-	-
9									-	-	-	-
10									-	-	-	-
	Others	21,395,216	70.96%		Others	17,576,070	81.68%		-	-	-	-
	Net purchase amount	30,152,496	100%		Net purchase amount	21,519,505	100%		-	-	-	-

Note: As of the publication date of the annual report, the 2022 Q1 financial data has not been reviewed by the certified public accountant and will not be listed.

Note 1: The name of the customers who had accounted for more than 10% of the total purchases of goods in the last two years and the amount and proportion of the goods purchased. However, if the name of the suppliers may not be disclosed due to the contracts signed or the counterparty of the transaction is a non-related individual, the name should be disclosed instead of the supplier code.

2. Major customers:

Major customer in the last 2 years

Unit: NT$ Thousands

	2020				2021				As of the prior quarter of 2022 (Note)			
Item	Name Note 1	Amount	% of the annual net sales amount	Relationship with the issue	Name	Amount	% of the annual net sales amount	Relationship with the issue	Name	Amount	% of the net sale amount up to the last quarter of the current year	Relationship with the issue
1	Customer G	23,508,210	65.60%	None	Customer A	14,652,850	57.22%	None	-	-	-	-
2	Customer A	9,246,496	25.80%	None	Customer B	7,153,847	27.94%	None	-	-	-	-
3	Customer I	502,226	1.40%	None	Customer C	223,319	0.87%	None	-	-	-	-
4									-	-	-	-
5									-	-	-	-
6									-	-	-	-
7									-	-	-	-
8									-	-	-	-
9									-	-	-	-
10									-	-	-	-
	Others	2,579,710	7.20%		Others	3,576,125	13.97%		Others	-	-	-
	Net sale amount	35,836,642	100%		Net sale amount	25,606,141	100%		Net sale amount	-	-	-

Note: As of the publication date of the annual report, the 2022 Q1 financial data has not been reviewed by the certified public accountant and will not be listed.

Note 1: The name of the customers who had accounted for more than 10% of the total sales of goods in the last two years and the amount and proportion of the goods sold. However, if the name of the customers may not be disclosed due to the contracts signed or the counterparty of the transaction is a non-related individual, the name should be disclosed instead of the supplier code.

Changes in the customers of the Company are arising from normal operating activities, and there are no special changes occurred.

(V) Production quantity and value in the last two years

Unit: NT$ thousand

Year / Production quantity and value / Main products (or departments)	2020			2022		
	Productivity (Note 1)	Production quantity (Note 1)	Production value	Productivity (Note 1)	Production quantity (Note 1)	Production value
System integration			30,084,477			21,441,053
Maintenance service			16,376			15,098
Design business and product sales			51,643			63,354
Total			30,152,496			21,519,505

Note 1: The main business of the Company is to serve high-tech industry with its plant construction and expansion. The nature of each project is different and cannot be quantified.

(VI) Sales quantity and value in the last two years

Unit: NT$ Thousands

Year / Sales quantity and value / Main products (or departments)	2020				2021			
	Domestic sales		Exports		Domestic sales		Exports	
	QTY Note	Value	QTY	Value	QTY	Value	QTY	Value
System integration		33,433,048		2,197,493		22,481,446		2,920,258
Maintenance service		55,997		0		44,154		0
Design business and product sales		144,785		5,319		154,857		5,426
Total		33,633,830		2,202,812		22,680,457		2,925,684

Note: The main business of the Company is to serve high-tech industry with its plant construction and expansion. The nature of each project is different and cannot be quantified.

III. Staff information in the last two years and as of the annual report printing date

March 31, 2022

Year		2020	2021	As of March 31, 2022
Number of employees	Technicians	550	615	636
	Administration personnel	157	160	165
	Project workers	103	81	75
	Total	810	856	876
Average age		42.79	42.39	42.16
Average service years		10.45	10.09	9.86
Education level	PhD	0.28%	0.23%	0.23%
	Master's degree	6.44%	6.47%	6.43%
	College and university	73.25%	67.76%	69.31%
	High school	17.60%	23.66%	22.18%
	Below high school	2.43%	1.88%	1.85%

IV. Environmental expenditure information

(I) The Company has suffered losses due to environment pollution in the most recent year and up to the publication date of the annual report (including compensation and environmental protection audits that concluded violations of environmental protection laws and regulations, the date of punishment, the case number of the punishment, in violation of the governing provisions, the content of the violation, and the content of the punishment) shall be detailed; also, the current and future estimated amounts and responsive measures shall be disclosed. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be explained in details: None.

(II) The Company's countermeasures for improving environmental pollution:

The Company engages in the system integration technical service industry and there is no environmental pollution situation, so there is no need to take countermeasures for improvement.

(III) Future response measures and possible expenses:

Due to the recent general awareness of environmental protection, the Company demands that all manufacturers cooperate in engineering safety and health and environmental protection measures throughout the construction process in order to comply with the provisions of labor safety and health regulations. The clean and delivery of the waste generated is specified in the contract. At present, the environmental protection work at each site has been thoroughly implemented and well appreciated. Therefore, the Company has no major environmental protection expenditures expected in the next two years.

V. Labor Relations

(I) The implementation of various employee welfare measures, advanced study, training, and retirement system, as well as the agreement between labor and the management:

1. Employee welfare measures:
   (1) The establishment of the employee welfare committee to appropriate welfare funds in accordance with the law, and to handle various welfare businesses.
   (2) Provide employee with labor and health insurance.
   (3) Issue Dragon Boat Festival, Mid-Autumn Festival, and year-end bonuses.
   (4) Appropriate pension reserves in accordance with government requirements.
   (5) Various subsidy plans of the Welfare Committee.

2. Education and Training:

Education and training are a long-term and planned talent training program of the Company, including:

(1) New recruits' education and training.

(2) Employee on-job training.

(3) Professional skills training.

3. Retirement system:

The Company has offered a labor retirement plan stipulated for all official employees. According to the said retirement plan, the payment of employee pension is calculated according to the pension points earned for the service years and the average salary of the six months before retirement. The pension points are the total of 2 points per year for the first 15 service years and 1 point per year after the fifteen service year with a maximum of 45 points per employee. Under the said retirement plan, the pension payment is fully borne by the Company. With the implementation of the Labor Pensions Act (hereinafter referred to as the "New Pension Plan") since July 1, 2005, for the employees who originally subject to this retirement plan choose to switch to the defined contribution plan for the service years performed after the application of the new retirement plan or the service years of the new recruits, the pension reserve is appropriated by the Company monthly for an amount no less than 6% of the monthly salary, which is deposited in the personal labor pension account. However, the Company's retirement plan has not been amended in compliance with the new pension act, so the employee retirement plan that is not stipulated should be processed according to the provisions of the Labor Pension Act.

4. The agreement between the employer and employees and various employee rights protection measures:

The Company has a comprehensive system in place to maintain a harmonious labor-management relationship and a smooth communication channel maintained. The Company has properly handled the opinions of employees, if any, through the maintenance of a harmonious labor-management relationship.

5. Protective measures to its staff members in the personal safety & security and working environments

1. Health management measures:

In an attempt to safeguard our colleagues in their health, we here at the Company render company-paid health examinations every two years. Other than regulatory inspections required by law, we allocate funds to additionally provide common cancer screening such as endoscopic ultrasonography to analyze cross-comparison and classified management toward each health check. Further pursuant to risk levels, we work out sound record books accompanied by regular follow-up management. Through such elaborate efforts, we conduct very effective health management policies toward our entire staff.

2. Work environment and employee safety measures:

2.1. In an effort to prevent potential occupational disasters, safeguard labor in safety and health and assure that all safety and health related issues comply with relevant laws and regulations so as to minimize the loss in life and property of personnel, the Company faithfully complies with the Occupational Safety and Health Act, occupational safety and health facility rules and so on to duly enact "Safety & Health Management Plan" applicable to the entire staff, contractors, third party contractors or suppliers whenever they enter the Company for operations or activities. Toward incumbent employees, we implement safety & health oriented educational & training programs against potential calamity on a regular basis.

2.2. The Company has successfully passed ISO45001:2018 Certification and has duly set up an "Occupational Safety and Health Policy." Moreover, the Company has established a dedicated Occupational Safety & Health Department to check and identify hazards and analyze related high-risk operation procedures based on the Company's business characteristics and project contents. Our entire staff members are strictly required to comply with the standard operational procedures (SOP) so as to minimize potential risks at work and prevent a potential occupational calamity. The Company's Occupational Safety and Health Department will check and verify the effectiveness of each branch's occupational safety and health management from time to time to ensure that our colleagues are provided with a comfortable, safe and healthy working environment.

2.3. Publicity and drills on safety education: In an effort to continuously optimize the working environment and personal safety management toward employees, we have duly stipulated the emergency response plans, including notably "Establishment of an Emergency Response Task Force," "timeframe for notification in case of an accident," "the tasks assigned onto all levels of personnel for the responsibilities to assume," and the like while we conduct safety and health educational & training programs and publicity to ensure that all employees shall be provided with appropriate and necessary emergency response training and be equipped with the capability to perform their tasks among the overall endeavors to prevent occupational disasters from occurring.

2.4. ISO 45001 occupational safety and health management system

Verification unit: DNV (DNV Business Assurance Co., Ltd.)

Certificate code: 2986-2006-ASA-RGC-RVA

Certificate validity: 2021/04/09-2024/04/02

Initial certification date: 2006/04/11

Expiration date of last certification cycle: 2021/04/02

Last review date: 2021/01/22

ISO 45001 certificate is valid for 3 years (3-year comprehensive review-certification-April 2021)

Annual regular audit: The regular audit in 2022 is: 2022/02/22

The annual review has been completed this year... Audit results: No primary/secondary deficiency... This year's audit results: 1 Observations 3 Suggestions

(II) In the most recent year and up to the publication date of the annual report, the Company’s losses due to labor disputes (including the result of labor inspection in violation of the Labor Standards Act, the date of punishment, the case number of the punishment, in violation of the governing provisions, the content of the violation, and the content of the punishment shall be disclosed in details). The current and future estimated amounts and responsive measures shall be disclosed: None

VI. Information security management:

Information security organization

The Company has established an information security team with the Chief Executive Officer as the Chair, and it is responsible for the supervision and review of information security risk management and information security target performance. The Manager of the Information Center serves as the Executive Director, and reports practical information security goal results to the Chair through the meeting. Representatives of each unit serve as committee members and are responsible for assisting the Executive Director in the implementation of information security tasks.

Information security policy

◎The very first policy of the company in information security management and operation is to abide by relevant regulations and protect information assets of the company to ensure its confidentiality, integrity, and availability.

◎ Regularly assess various possible hazards or the impact on and formulate emergency response measures and recovery plans for the company's information assets and key businesses to prevent interruption to company operation.

◎ Promote employees to practice information security measures and build up their responsibility, awareness and code of conduct for information security.

◎ Mandate vendors, customers, and third parties to abide by the company’s information security policies and guidelines when operating or connecting to information environment of the company.

Information security management program

- Permission management: users are provided with different permission according to their security level.
- Security management for access to the operating system: install operating systems in company domain according to company guidelines and keep them under centralized management. Keep operating systems’ virus code updated all the time; equip hosts and computers of the company with anti-virus system to download and update scan engine and code of virus availed every day. Set the system to mandate users’ changing password regularly.
- Application software security management: mandate special approval before installing any software other than applications, utilities, and productivity packages.
- Set up filters in company firewalls to block specific software and address from accessing internal network to maintain its quality and security.
- Network communication security management: subject external VPN (remote) access and internal access (file transfer FTP), instant messaging (MSN), special connection (HTTPS), and other network applications to IT head’s review and permission management head’s approval.
- Application system security management: IT unit shall block access and update to source codes only by authorized personnel and give users different execution permission based on their operation requirements.
- Backup management: implement backup management relevant measures including system disaster recovery and database backup.
- Asset management: code computer room equipment and personal computers and subject them to regular inventory taking.
- Train users online to set up and operate security mechanism of operating system; learn about sources and invasion routes of viruses including Trojan horses, backdoors, and worms to improve protection level of users.

Amid increasing cases of information security incidents in 2021, United Integrated has been enhancing its information security management with the following investment in information security system in 2021:

1. Mail server replacement: NT$72,000
2. Purchase and replace office antivirus software and operating software of the company: NT$9,420,000
3. Firewall replacement NT$88,000
4. Install CCTV system and improve firefighting system of computer room

Total amount of information security maintenance specific investments in 2021: NT$95.8 million

The company suffered no information security incidents in 2021 and remains to pursue the goal of zero information security incidents.

VII. Important contracts

Counterparty	Commencement date of contract	Major Contents	Covenants
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	March 1, 2016-December 31, 2017	TSMC F15 P5 MEP PACKAGE(STAGE 1)(UPS)	Daily overdue fineOne thousandth of the project cost
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	October 1, 2016-December 31, 2017	TSMC F15 P6 CR SCAD -TEM- additional engineering by foremen	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Systems on Silicon Manufacturing Company Pte.Ltd. (Note)	February 12, 2018-June 30, 2018	SSMC plant new construction project-equipment procurement	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	April 13, 2018-December 31, 2018	TSMC F15P7 C/R PROJECT A	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	April 30, 2018-February 28, 2019	TSMC F18 P1 MEP-A PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	April 30, 2018-February 28, 2019	TSMC F18 P1 FIRE PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	May 3, 2018-April 30, 2019	TSMC F18 P1 C/R	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	July 27, 2018-December 31, 2018	TSMC-F18P1 EBO construction	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
IQE PLC Inc. (Note)	August 24, 2018-March 31, 2019	IQE PLC Inc. 3F factory building new TURN-KEY project	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
AU Optronics Corp. (Note)	December 4, 2018-May 31, 2019	AUO Optoelectronics Huaya Plant (AUO FAB L3D/L5D) L3D IJP Project	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	December 15, 2018-December 31, 2019	TSMC F18 P2 MEP-A PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	December 15, 2018-December 31, 2019	TSMC F18 P2 MEP-B PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	December 15, 2018-December 31, 2019	TSMC F18 P2 FIRE PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	December 20, 2018-December 31, 2019	TSMC F18 P2 C/R PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Advanced Wireless Semiconductor Company (Note)	February 11, 2019-December 31,2020	Advanced Wireless Semiconductor Company Phase II Plant Expansion Project (Buildings A, B, C, D, E, F)-Mechanical and Electrical Contracting Project	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Micron Taiwan Memory Co., Ltd. (Note)	March 4, 2019-December 31,2021	Taiwan Micron’s Houli New Plant Overall Design Project	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	July 4, 2019-December 31,2020	TSMC F15P7 C/R Project B	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.

Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	July 18, 2019-December 31,2020	TSMC F15 P7 MEP PACKAGE B	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	October 21, 2019-December 31, 2020	TSMC F18 P3 MEP A PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	October 21, 2019-December 31, 2020	TSMC F18 P3 MEP B PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	October 21, 2019-December 31, 2020	TSMC F18 P3 FIRE PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	November 13, 2019-December 31,2020	TSMC F18 P3 C/R	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Yangtze Memory Technology Corp. (Note)	January 3, 2020~October 15, 2020	Yangtze Memory Technology Corporation (YMTC) (Phase I) Second-stage Project focusing on the Process Equipment Pipeline Purchase and Installation in Tender B Phase, for Imported Equipment	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	January 10, 2020~December 31, 2020	TSMC F18 P3 EBO CR PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Advanced Wireless Semiconductor Company (Note)	April 20, 2020~June 30, 2021	Advanced Wireless Semiconductor Company Phase II Expansion Project to add various new clean room (dust-free room) systems	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Micron Taiwan Memory Co., Ltd. (Note)	April 15, 2020~March 31, 2021	Taiwan Micron’s f16 tool install service po-Gas/NG/BA	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	June 15, 2020~June 14, 2022	TSMC F18 P4 MEP PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	June 1, 2020~October 31, 2021	TSMC F18 P4 CLEAN ROOM PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	October 20, 2020~December 31, 2021	TSMC RDR1 MEP PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	November 1, 2020~December 31, 2021	TSMC RDR1 C/R	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	November 11, 2020~December 31, 2021	TSMC F18 P5 CLEANROOM PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	November 1, 2020~December 31, 2021	TSMC F18 P5 MEP PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Advanced Wireless Semiconductor Company	January 1, 2021-June 30, 2022	Advanced Wireless Semiconductor Company Phase II Expansion Project -- 2F Clean Room Extension Project	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	February 1, 2021-February 28, 2022	TSMC F18 P6 MEP PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	March 10, 2021-June 30, 2022	TSMC F18 P6 C/R	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.

Taiwan Semiconductor Manufacturing Co., Ltd.	April 7, 2021-April 30, 2022	TSMC 12B-BRIDGE_SP1_F12 P7 CR RETROFIT	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
TMSC Arizona Corporation	July 16, 2021-August 31, 2022	TMSC F21 AAS Project	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
TMSC Arizona Corporation	July 16, 2021-August 31, 2022	TSMC F21 CLEANROOM	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
TMSC Arizona Corporation	July 16, 2021-August 31, 2022	TSMC F21 MEP	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
TSMC (Nanjing) Co., Ltd.	September 1, 2021-February 28, 2022	TSMC Nanjing F16 P1B CR PACAKGE-MATERIAL/EQ	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Micron Taiwan Memory Co., Ltd.	November 1, 2021-August 31, 2021	F387 Taiwan Micron Technology-O2 expansion engineering-phase1	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	November 16, 2021-December 31, 2022	TSMC TCZWM MEP PACKAGE	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	November 24, 2021-December 31, 2022	TSMC F18 P7 MEP A	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	November 24, 2021-December 31, 2022	TSMC F18 P7 CLEAR ROOM A	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Advanced Wireless Semiconductor Company	December 31 2021-December 31, 2022	In 2021, Advanced Wireless Semiconductor added mechanical and electrical engineering to the office in Building A and the parking lot in Building D	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	December 1, 2021-December 31, 2022	TSMC F14 P8 MEP STAGE-1	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
S.Y Technology, Engineering & Construction Co., Ltd.	October 1, 2021-December 31, 2022	National Memory Base Project (Phase I) phase two project bid section D for process equipment pipeline purchase and installation	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
TSMC (Nanjing) Co., Ltd.	November 1, 2021-December 31, 2022	TSMC Nanjing F16P1B CR package-Install	Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.

Note: The case cannot be closed as the Proprietor has not yet completed the final acceptance check. The Company is not subject to the penalty as it does not fall within the scope of the Company's responsibilities.

Six. Financial overview

I. Condensed balance sheet and consolidated income statement for the last five years

(I) Condensed consolidated balance sheet and consolidated income statement

1. Condensed consolidated balance sheet   Unit: NT$ Thousands

Item \ Year		The financial data of the last five years: 2017	2018	2019	2020	2021	The financial data as of March 31, 2022 (Note 1)
Current assets		13,849,914	17,324,895	19,154,225	22,951,798	18,963,373	
Financial assets measured at cost - noncurrent		1,018,462	-	-	-	-	
Financial assets measured at fair value through profit and loss - noncurrent		-	7,879	6,347	6,805	3,529	
Financial assets measured at fair value through other comprehensive profit and loss - noncurrent		-	1,636,961	2,051,779	1,958,718	2,026,136	
Investment under the Equity Method		752,728	756,814	837,973	849,145	874,867	
Property, plant, and equipment		736,116	806,633	778,132	790,818	1,328,217	
Long-term receivables		0	0	0	0	0	
Right-of-use assets		-	-	59,443	192,323	285,099	
Intangible assets		1,809	1,341	2,705	3,353	22,096	
Deferred income tax assets		92,852	84,696	156,384	165,079	181,705	
Other noncurrent assets		173,690	191,384	38,348	130,528	64,480	
Total assets		16,625,571	20,810,603	23,085,336	27,048,567	23,749,502	
Current liabilities	Before distribution	9,615,100	12,861,638	13,938,252	16,059,658	13,204,445	
	After distribution	10,806,267	14,767,505	16,415,879	19,552,816	Note 3	
Noncurrent liabilities		403,111	462,200	409,271	837,391	778,749	
Total liabilities	Before distribution	10,081,211	13,323,838	14,347,523	16,897,049	13,983,194	
	After distribution	11,272,378	15,229,702	16,825,150	20,137,023	Note 3	
Attributable to the shareholders' equity of the parent company		6,401,925	7,254,336	8,567,466	10,004,054	9,606,663	
Capital stock		2,382,334	1,905,867	1,905,867	1,905,867	1,905,867	
Additional paid-in capital		611,987	374,156	373,561	368,144	377,460	
Retained earnings	Before distribution	3,520,492	4,409,052	5,356,074	6,882,189	6,426,414	
	After distribution	2,329,325	2,503,185	2,878,447	3,642,215	Note 3	
Other equity		(112,888)	565,261	931,964	847,854	896,922	
Treasury stock		0	0	0	0	0	
Non-control equity		205,435	232,429	170,347	147,464	159,645	
Total equity	Before distribution	6,607,360	7,486,765	8,737,813	10,151,518	9,766,308	
	After distribution	5,416,193	5,580,898	6,260,186	6,911,544	Note 3	-

Note 1: As of the publication date of the annual report, the 2022 Q1 financial data has not been reviewed by the certified public accountant and will not be listed.

Note 2: The Company did not arrange asset revaluation. Note 3: The shareholders meeting has not been held as of the annual report printing date.

2. Condensed Consolidated Income Statement

Unit: NT$ thousand

Year / Item	The financial data of the last five years					The financial data as of March 31, 2022 (Note 1)
	2017	2018	2019	2020	2021	
Operating income	12,525,918	18,127,934	23,920,633	35,836,642	25,606,141	
Gross profit	2,234,514	3,183,441	4,351,240	5,684,146	4,086,636	
Operating profit and loss	1,610,351	2,372,100	3,407,298	4,620,646	3,139,661	
Non-operating income and expense	135,231	664,922	322,091	461,156	415,653	
Net income before tax	1,745,582	3,037,022	3,729,389	5,081,802	3,555,314	
Net income of the continuing business unit	1,341,764	2,274,169	2,893,881	4,091,332	2,820,482	
Net income (loss)	1,341,764	2,274,169	2,893,881	4,091,332	2,820,482	
Other comprehensive profit and loss of the current period (net amount after tax)	(4,294)	(999,678)	396,255	(112,057)	62,544	
Total consolidated profit and loss of the current period	1,337,470	1,274,491	3,290,136	3,979,275	2,883,026	
Net income attributable to the shareholders' equity of the parent company	1,214,548	2,147,566	2,815,298	4,033,304	2,769,475	
Net income attributable to non-control equity	127,216	126,603	78,583	58,028	51,007	
Comprehensive profit and loss attributable to the shareholders' equity of the parent company	1,210,254	1,155,079	3,219,592	3,919,632	2,833,267	
Comprehensive profit and loss attributable to non-control equity	127,216	119,412	70,544	59,643	49,759	
Earnings per share	5.10	9.42	14.77	21.16	14.53	

Note 1: As of the publication date of the annual report, the 2022 Q1 financial data has not been reviewed by the certified public accountant and will not be listed.

(II) Condensed balance sheet and comprehensive income statement of subsidiary

1. Condensed balance sheet of subsidiary Unit: NT$ Thousands

Item \ Year		The financial data of the last five years				
		2017	2018	2019	2020	2021
Current assets		9,082,484	12,917,785	14,801,451	18,657,050	13,973,957
Financial assets measured at cost - noncurrent		1,018,462	0	0	0	0
Financial assets measured at fair value through profit and loss - noncurrent			7,879	6,347	6,805	3,529
Financial assets measured at fair value through other comprehensive profit and loss - noncurrent			1,636,961	2,051,779	1,958,718	2,026,136
Investment under the Equity Method		2,182,607	2,314,018	2,048,791	2,296,558	3,995,151
Property, plant, and equipment		569,929	560,187	553,061	547,066	1,090,521
Right-of-use assets		-	-	19,164	19,676	39,980
Intangible assets		1,809	1,341	2,705	3,353	21,422
Deferred income tax assets		92,852	84,696	156,384	165,079	172,319
Other assets		8,083	6,551	7,639	114,789	12,699
Long-term receivables		0	0	0	0	0
Long-term notes and accounts receivable		228,180	218,682	203,876	202,767	162,917
Total assets		13,184,406	17,748,100	19,851,197	23,971,861	21,498,631
Current liabilities	Before distribution	6,382,181	10,038,362	10,883,101	13,502,344	11,534,301
	After distribution	7,573,348	11,944,229	13,360,728	16,742,318	Note 2
Noncurrent liabilities		400,300	455,402	400,630	465,463	357,667
Total liabilities	Before distribution	6,782,481	10,493,764	11,283,731	13,967,807	11,891,968
	After distribution	7,973,648	12,399,631	13,761,358	17,207,781	Note 2
Capital stock		2,382,334	1,905,867	1,905,867	1,905,867	1,905,867
Additional paid-in capital		611,987	374,156	373,561	368,144	377,460
Retained earnings	Before distribution	3,520,492	4,409,052	5,356,074	6,882,189	6,426,414
	After distribution	2,329,325	2,503,185	2,878,447	3,642,215	Note 2
Other equity		(112,888)	565,261	931,964	847,854	896,922
Treasury stock		0	0	0	0	0
Total equity	Before distribution	6,401,925	7,254,336	8,567,466	10,004,054	9,606,663
	After distribution	5,210,758	5,348,469	6,089,839	6,764,080	Note 2

Note 1: The Company did not arrange asset revaluation.

Note 2: The shareholders meeting has not been held as of the annual report printing date.

2. Condensed comprehensive income statement of subsidiary

Unit: NT$ thousand

Item \ Year	The financial data of the last five years				
	2017	2018	2019	2020	2021
Operating income	7,257,644	9,573,717	19,433,809	33,870,448	23,059,535
Gross profit	1,369,468	2,296,047	3,949,665	5,369,140	3,722,203
Operating profit and loss	840,009	1,586,190	3,107,684	4,394,746	2,905,531
Non-operating income and expense	604,539	1,094,867	387,316	571,529	498,622
Net income before tax	1,444,548	2,681,057	3,495,000	4,966,275	3,404,153
Net income of the continuing business unit	1,214,548	2,147,566	2,815,298	4,033,304	2,769,475
Loss of the discontinued business unit	–	–	–	–	–
Net income (loss)	1,214,548	2,147,566	2,815,298	4,033,304	2,769,475
Other comprehensive profit and loss of the current period (net amount after tax)	(4,294)	(992,487)	404,294	(113,672)	63,792
Total consolidated profit and loss of the current period	1,210,254	1,155,079	3,219,592	3,919,632	2,833,267
Earnings per share	5.10	9.42	14.77	21.16	14.53

(III) Name of the certified public accountants and the audit opinions in the last five years:

Year	Public auditor	Audit opinions
2017	Yenling Fang, Tzuhui Li	Unqualified opinion with additional events stated
2018	Tsunglin Li and Tzuhui Li	Unqualified opinion plus the paragraph of additional comments or other matters
2019	Tsunglin Li and Tzuhui Li	Unqualified opinion plus the paragraph of additional comments or other matters
2020	Tsunglin Li and Tzuhui Li	Unqualified opinion plus the paragraph of additional comments or other matters
2021	Tsunglin Li, Fu-jen Chen	Unqualified opinion plus the paragraph of additional comments or other matters

II. Analysis of financial data for the last five years

(I) Consolidated financial analysis

Analysis items / Year		Analysis of financial data for the last five years (Note 1)					As of March 31, 2022 (Note 1)
		2017	2018	2019	2020	2021	
Financial structure	Ratio of liabilities to assets (%)	60.26	64.02	62.15	62.47	58.88	
	Ratio of long-term fund to property, plant, and equipment (%)	897.60	928.15	1122.92	1,382.15	793.93	
Solvency	Current ratio (%)	144.04	134.70	137.42	140.70	143.61	
	Quick ratio (%)	126.41	117.78	125.37	126.93	117.94	
	Times interest earned ratio (%)	5,999.56	-	521.28	669.66	301.74	
Operating ability	Accounts receivable turnover (times)	3.75	5.50	4.88	5.69	4.85	
	Days Sales in Account Receivable	97	66	74.79	64.14	75.24	
	Inventory turnover (times)	0.21	0.30	0.3069	0.36	0.22	
	Average days in sales	1,703.18	1,216.67	1177.41	1013.88	1644.28	
	Property, plant, and equipment turnover (times)	16.78	23.50	30.19	45.68	24.17	
	Total assets turnover (times)	0.75	0.87	1.04	1.32	1.08	
Profitability	Ratio of return on total assets (%)	7.99	12.15	13.21	16.35	11.14	
	Ratio of return on shareholders' equity (%)	20.26	32.27	35.67	43.32	28.32	
	Net profit before tax as a percentage of paid-in capital (%)	73.27	159.35	195.68	266.64	186.55	
	Profit ratio (%)	10.71	12.55	12.10	11.42	11.01	
	Earnings per share (NT$)	5.10	9.42	14.77	21.16	14.53	
Cash flow	Cash flow ratio (%)	33.01	9.16	29.29	23.13	15.85	
	Cash flow adequacy ratio (%)	191.13	124.03	147.57	155.07	129.59	
	Cash re-investment ratio (%)	22.24	-2.92	18.31	14.97	-13.71	
Leverage	Operating leverage	1.02	1.02	1.02	1.03	1.03	
	Financial leverage	1.00	1.00	1.00	1.00	1.00	

Please explain the reasons for the changes in the financial ratios in the last two years.

1. Ratio of long-term capital to property, plant and equipment and turnover rate of property, plant and equipment: mainly due to the 67.95% increase in net fixed assets in 2021 compared with 2020.
2. Inventory turnover: mainly due to a 28.55% decrease in revenue in 2021 compared to the previous period.
3. Reduction from the previous period in debt service coverage ratio, return on assets, return on equity, net profit before tax as a percentage of paid-in capital, and earnings per share: mainly due to the 29.91% decrease in pre-tax net profit in 2021 compared with 2020.
4. Reduction in cash flow ratio from the previous period: net cash inflow from operating activities decreased by 44.52%.
5. Cash reinvestment ratio: mainly due to decreased in net cash inflow activities by 44.52% and increase in gross amount of fixed assets by 50.77%.

Note 1: As of the publication date of the annual report, the 2022 Q1 financial data has not been reviewed by the certified public accountant and will not be listed.

(II) Subsidiary’s financial analysis

Analysis items	Year (Note 1)	Analysis of financial data for the last five years (Note 1)				
		2017	2018	2019	2020	2021
Financial structure	Ratio of liabilities to assets (%)	51.44	59.13	56.84	58.27	55.32
	Ratio of long-term fund to property, plant, and equipment (%)	1123.28	1294.98	1549.10	1913.76	913.72
Solvency	Current ratio (%)	142.31	128.68	136.00	138.18	121.15
	Quick ratio (%)	131.63	118.70	127.92	128.84	98.38
	Times interest earned ratio (%)	-	-	532.32	741.90	497.02
Operating ability	Accounts receivable turnover (times)	3.28	5.24	6.02	6.89	5.44
	Days Sales in Account Receivable	111	70	61	53	67
	Inventory turnover (times)	0.17	0.21	0.42	0.60	0.32
	Average days in sales	2,180.16	1,769.36	879.30	607.49	1137.23
	Property, plant, and equipment turnover (times)	12.61	16.94	34.91	61.58	28.16
	Total assets turnover (times)	0.55	0.54	0.98	1.41	1.07
Profitability	Ratio of return on total assets (%)	8.56	13.89	15.00	18.43	12.21
	Ratio of return on shareholders’ equity (%)	18.66	31.45	35.59	43.44	28.24
	Net profit before tax as a percentage of paid-in capital (%)	73.27	159.35	183.38	260.57	178.61
	Profit ratio (%)	16.73	22.43	14.49	11.91	12.01
	Earnings per share (NT$)	5.10	9.42	14.77	21.16	14.53
Cash flow	Cash flow ratio (%)	36.01	15.54	26.37	25.24	25.05
	Cash flow adequacy ratio (%)	156.71	98.58	113.17	132.79	118.55
	Cash re-investment ratio (%)	12.10	1.64	8.35	11.22	-4.53
Leverage	Operating leverage	1.02	1.01	1.01	1.02	1.02
	Financial leverage	1	1	1	1	1

Please explain the reasons for the changes in the financial ratios in the last two years.

1. Ratio of long-term capital to property, plant and equipment: mainly due to the 99.34% increase in net fixed assets in 2021 compared with 2020.
2. Increase in quick ratio from the previous period: mainly due to the 108.32% increase in the net amount of construction in progress in 2021 compared with 2020
3.Reduction from the previous period in debt service coverage ratio, return on assets, return on equity, net profit before tax as a percentage of paid-in capital, and earnings per share: mainly due to the 31.41% decrease in pre-tax net profit in 2021 compared with 2020
4. Decrease compared with the previous period in receivables turnover ratio, inventory turnover ratio, and total asset turnover ratio: mainly due to a decrease in revenue in 2021 of 31.92% compared with revenue in 2020.
5. Property, plant and equipment turnover: mainly due to a 31.92 decrease in revenue in 2021 compared with revenue in 2020, while net fixed assets in 2021 increased by 99.34% compared with 2020.
6. Cash reinvestment ratio: mainly due to increase in long-term investment by 73.96% while the gross amount of fixed assets increased by 76.38%.

(1) Financial analysis

1. Financial structure
   (1) Ratio of liabilities to assets ＝ Total liabilities / Total assets.
   (2) Ratio of long-term fund to property, plant, and equipment＝ (Total equity+ noncurrent liabilities) / Net property, plant, and equipment.
2. Solvency
   (1) Current ratio ＝ Current assets / Current liabilities.
   (2) Quick ratio ＝ (Current assets – inventory – prepaid expense) / current liabilities.
   (3) Times interest earned ratio ＝ Net income before income tax and interest expense / Current interest expense.
3. Operating ability
   (1) Accounts receivable (including accounts receivable and notes receivable resulting from business operations) turnover ＝ Net sales amount / average accounts receivable balance of each period (including accounts receivable and notes receivable resulting from business operations).
   (2) Days Sales in Account Receivable ＝ 365 / Accounts receivable turnover.
   (3) Inventory turnover ＝ Cost of goods sold / Average inventory balance amount.
   (4) Average days in sales ＝ 365 / Inventory turnover.
   (5) Property, plant, and equipment turnover ＝ Net sales amount / average property, plant, and equipment net amount.
   (6) Total assets turnover ＝ Net sales amount / Average total assets.
4. Profitability
   (1) Ratio of return on total assets＝ [Net income or loss + Interest expense x (1-tax rate)] / Average total assets.
   (2) Ratio of return on shareholders' equity ＝ Net income or loss / Average equity.
   (3) Profit ratio ＝ Net income or loss / Net sales amount.
   (4) Earnings per share ＝ (Profit and loss attributable to the shareholders' equity of the parent company – preferred stock dividend) / Weighted average outstanding shares.
5. Cash flow
   (1) Cash flow ratio ＝ Net cash flow from operating activities / Current liabilities.
   (2) Net cash flow adequacy ratio ＝ Net cash flow from operating activities in the last 5 years / In the last 5 years (Capital expenditure + increase in inventory + cash dividend).
   (3) Cash re-investment ratio ＝ (Net cash flow from operating activities – cash dividend) / (property, plant, and equipment gross amount + long-term investment + other noncurrent assets + operating fund).
6. Leverage:
   (1) Operating leverage ＝ (Net operating income – variable operating cost and expense) / Operating profit.
   (2) Financial leverage ＝ Operating profit / (Operating profit-interest expense).

III. The Audit Report of the Audit Committee on the most recent annual financial report

UNITED INTEGRATED SERVICES CO., LTD.

Audit Committee's audit report

Hereby approved

The 2021 standalone financial statements and 2021 consolidated financial statements of the Company and its subsidiaries as submitted by the Board of Directors have been audited by CPAs Tsung-lin Li and Fu-jen Chen of KPMG Taiwan. The two sets of financial statements, together with the business report and motion for allocation of earnings, were confirmed by the Audit Committee. Accordingly, the Audit Committee hereby produces said report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review it accordingly.

Sincerely yours,

2022 General Shareholders' Meeting

UNITED INTEGRATED SERVICES CO., LTD.
Convener of the Audit Committee: Kun-Hsien Lin

March 23, 2022

IV. Independent Auditor’s Report and financial statements of the most recent year: please refer to Appendix A

V. Subsidiary’s financial report that has been audited by a public certified accountant in the most recent year: please refer to Appendix B

VI. The financial difficulties faced by the Company and its affiliates in the most recent year and as of the annual report printing date: None

Seven. Review and analysis of financial status and operating results and risks

I. Financial status comparison analysis table

Unit: NT$ Thousands

Item \ Year	2020	2021	Variance	
			Amount	%
Current assets	22,951,798	18,963,373	(3,988,425)	-17.38%
Financial assets measured at cost - noncurrent	-	-		
Financial assets measured at fair value through profit and loss - noncurrent	6,805	3,529	(3,276)	-48.14%
Financial assets measured at fair value through other comprehensive profit and loss - noncurrent	1,958,718	2,026,136	67,418	3.44%
Investment under the Equity Method	849,145	874,867	25,722	3.03%
Property, plant, and equipment	790,818	1,328,217	537,399	67.95%
Long-term receivables	0	0	0	
Right-of-use assets	192,323	285,099	92,776	48.24%
Intangible assets	3,353	22,096	18,743	558.99%
Deferred income tax assets	165,079	181,705	16,626	10.07%
Other noncurrent assets	130,528	64,480	(66,048)	-50.60%
Total assets	27,048,567	23,749,502	(3,299,065)	-12.20%
Current liabilities	16,059,658	13,204,445	(2,855,213)	-17.78%
Noncurrent liabilities	837,391	778,749	(58,642)	-7.00%
Total liabilities	16,897,049	13,983,194	(2,913,855)	-17.24%
Attributable to the shareholders' equity of the parent company	10,004,054	9,606,663	(397,391)	-3.97%
Capital stock	1,905,867	1,905,867	0	0.00%
Additional paid-in capital	368,144	377,460	9,316	2.53%
Retained earnings	6,882,189	6,426,414	(455,775)	-6.62%
Other equity	847,854	896,922	49,068	5.79%
Total equity	10,151,518	9,766,308	(385,210)	-3.79%

Description of items with major changes:

1. Decrease from the previous period in financial assets measured at fair value through profit and loss - noncurrent was mainly due to: a decrease of NT$3,251 thousand in shares of non-listed companies.
2. Increase from the previous period in property, plant and equipment: due to an increase of NT$451,002 thousand in real estate equipment.
3. Increase in the use of right assets over the preceding period: Due primarily an increase of NT$141,343 thousand in land leases.
4. Increase in intangible assets over the preceding period: due to Purchase of computer software of NT$19,800 thousand.
5. Decrease from the previous period in other non-current assets: mainly due to the advance payment of NT$104,608 thousand for the purchase of an officeconverted to real estate equipment.

II. Financial performance analysis

1. Operating result comparison table

Unit: NT$ Thousands

Item \ Year	2020	2021	Increased (decreased) amount	Ratio of change (%)
Operating income	35,836,642	25,606,141	(10,230,501)	-28.55%
Gross profit	5,684,146	4,086,636	(1,597,510)	-28.10%
Operating profit and loss	4,620,646	3,139,661	(1,480,985)	-32.05%
Non-operating income and expense	461,156	415,653	(45,503)	-9.87%
Net income before tax	5,081,802	3,555,314	(1,526,488)	-30.04%
Net income (loss)	4,091,332	2,820,482	(1,270,850)	-31.06%
Other comprehensive profit and loss of the current period (net amount after tax)	(112,057)	62,544	174,601	-155.81%
Total consolidated profit and loss of the current period	3,979,275	2,883,026	(1,096,249)	-27.55%
Net income attributable to parent company	4,033,304	2,769,475	(1,263,829)	-31.33%
Total comprehensive profit and loss attributable to the parent company	3,919,632	2,833,267	(1,086,365)	-27.72%

Description of items with major changes:

1. Decrease in gross operating profit, operating profit and loss, net profit before tax and net profit for the current period over the preceding period: mainly due to 28.55% decrease in revenue in 2021 compared to the previous period.
2. Decrease from the previous period in other comprehensive profit and loss for the current period (net after tax): mainly due to a decrease of NT$30,906 thousand in 2021 compared to 2020 from exchange differences on translation of foreign financial statements connected to conversion differences in purchasing financial reports.
3. Decrease from the previous period in total comprehensive profit and loss for the current period and in total comprehensive profit and loss attributable to the parent company: mainly due to a 28.55% decrease in revenue in 2021 compared to the previous period.
4. Decrease from the previous period in net profit attributable to parent company: mainly due to a 28.55% decrease in revenue in 2021 compared to the previous period.

2. Analysis of changes in operating gross profit: None.

III. Cash flow analysis

1. Liquidity analysis for the last two years

Item / Year	2020	2021	Increase (decrease) ratio (%)
Cash flow ratio (%)	23.13	15.85	-31.4743%
Cash flow adequacy ratio (%)	155.07	129.59	-16.4313%
Cash re-investment ratio (%)	14.97	-13.71	-191.5832%

Description of increase (decrease) ratio:

1. Reduction in cash flow ratio from the previous period: net cash inflow from operating activities decreased by 44.52%.
2. Decrease from the previous period in cash reinvestment ratio: mainly due to decreased in net cash inflow activities by 44.52% and increase in gross amount of fixed assets by 50.77%.

2. Analysis of cash flow in the coming year Unit: NT$ Thousands

Cash balance - beginning (1)	Estimated annual net cash flow from operating activities (2)	Estimated annual cash outflow (3)	Estimated cash surplus (shortfalls) amount (1)+(2)-(3)	Remedial measures for expected cash shortfalls	
				Investment plan	Financial plan
6,922,880	4,000,000	3,000,000	7,922,880	-	-

IV. Impact of major capital expenditures on financial operations in the most recent year: None

V. Investment policy in the most recent year, the main reason for profit or loss, improvement plan, and investment plan for the next year

(I) Transfer investment policy: The Company will continue to invest in compliance with the business strategy of “enhancing professional technical capabilities and increasing business opportunities” in order to strengthen the competitiveness of the Company in the future. The focus of new investment projects in the future is on those that can help increase the technical ability for the system integration engineering service, and the newly added investment projects for increasing business opportunities are controlled as much as possible in order to avoid an excessive expansion of investment in this business category. In addition, the Company will strengthen the follow-up and supervision of the financial and business conditions of the invested company. If the invested company is not performing as well as when it was originally invested and there is no sign of improvement, the Company does not rule out the possibility of changing long-term investment policies and will choose to have the shares disposed. The investment projects that are carried out to increase business opportunities will be sold at an appropriate time to recover the funds for better overall use.

(II) The main reasons for profit or loss: the investment in Ablerex Electronics Co., Ltd., Wholetech System Hitech Limited, and JG Environmental Technology Co., Ltd. under the Equity Method recognized on December 31, 2021 and 2020 are accounted for 3.68% and 3.14% of the total assets, respectively. The ratio of profit and loss from the associates under the equity method was accounted for 1.95% and 1.01% of the net income before tax for the period of January 1 - December 31, 2021 and 2020, respectively.

(III) Future Investment Plan: The Company will continue to invest in compliance with the strategy of “enhancing professional technical capabilities and increasing business opportunities.”

VI. Risk management analysis and evaluation

(I) The impact of interest rates, changes in exchange rate, and inflation on the Company’s profit and loss in the most recent year and as of the annual report printing date, and the countermeasures in the future:

1. Due to stable growth in business performance and stable annual interest rate maintained, the Company has a high credit rating in the banking sector. Compared with other companies, the Company enjoys a better interest rate. Therefore, changes in interest rate have no significant impact on the Company.
2. The Company is mostly engaged in the system integration engineering projects of electronics factories. Some of the equipment is purchased and imported from abroad. In this regard, the countermeasures of the Finance Office are with the exchange rate trend considered, if necessary, the operating procedures for derivative financial products are applied to operate options or forward foreign exchange transactions for a fixed exchange rate in order to avoid risks.

3. Since most of the projects undertaken by the Company are done with the spare parts produced by electronics factory, which usually take 1-2 years, the risk of inflation has never occurred.

(II) The engagement in high-risk and high-leverage investment, loaning of funds, endorsements and guarantees, and derivative products policy in the most recent year and as of the annual report printing date, the main reason for the profit or loss, and future countermeasures:

1. The Company has always adhered to the principle of focusing on the main business operation and pragmatic practice. For the high-risk and high-leverage investment and derivative products transactions, such as, non-principal clearance, investment with bank loans, and other speculative businesses, it is not within the scope of the non-operating income of the Company. If there are idle funds, the Company will choose a more stable practice, such as, bank deposit or bond funds, so the above practice does not have a significant impact on the Company.
2. The Company's loaning of funds and making of endorsements/guarantees are mainly due to business transactions; also, it is handled in accordance with the Company's "Operating procedures for loaning of funds" and "Operating procedures for making of endorsements / guarantees."

(III) Research and development plans and estimated R&D expenses in the most recent year and as of the annual report printing date:

1. The research and development plans in the most recent year
   (1) Wireless smart home system R&D
   Radar detects an elderly in case of a fall.
   180-degree penetration and displacement detector
2. Estimated R&D expenses
   (1)Product innovation: NT$10 million

(IV) The impact of important domestic and international policies and legal changes on the Company's financial business and the countermeasures in the most recent year and as of the annual report printing date: None.

(V) The impact of technological changes (including information security risks) and industrial changes on the Company's financial business and the countermeasures in the most recent year and as of the annual report printing date: No significant operational risk.

(VI) The impact of changes in corporate image on corporate crisis management and the countermeasures in the most recent year and as of the annual report printing date: None.

(VII) Expected benefits, possible risks, and countermeasures for mergers and acquisitions in the most recent year and as of annual report printing date: None.

(VIII) Expected benefits, possible risks, and countermeasures for the expansion of the plant in the most recent year and as of the annual report printing date: None.

(IX) Risks of centralized sales or purchases of goods and the countermeasures in the most recent year and as of the annual report printing date: None.

(X) The impact of a large number of shares transferred or replaced by the directors, supervisors, or shareholders with more than 10% shareholding on the Company, the risks, and the countermeasures: None.

(XI) The impact of changes in management rights on the Company, the risks, and the countermeasures: None.

(XII) Litigation or non-litigation events: The sentenced or outstanding major litigation, non-litigation, or administrative dispute of the Company and the Company's directors, supervisors, president, substantive principal, major shareholders with more than 10% shareholding, and subsidiaries in the most recent year and as of the annual report printing date that may have a significant impact on shareholders' equity or securities prices:

(I) Some of the Company's directors are involved in the adjudication process for violating the Securities and Exchange Act regulations and the effect on the Company's operation; please refer to the following information:

(i) The primary judgment contents

Director Chen, former director Wang and other involved parties were prosecuted by Taipei District Prosecutor's Office on June 5, 2002, as illegally transferred Company's fund more than $1.3 billion to Dentsu Engineering Co., Ltd. (Hereinafter referred to as Dentsu Corporation),Fuguo Engineering Co., Ltd., and Huayuan Engineering Co., Ltd, then transferred the fund to themselves. The primary judgment contents given by Taipei District Prosecutor's Office on August,31, 2015 (Finance Criminal Procedure Code No. 17 Act 2013) that the Court believed the defendants did not commit such crimes. However, the notes of the financial statements did not disclose that Dentsu Corporation shall be a relative party of the Company and paid expenses on behalf of the Company, therefore, the defendants were convicted guilty by the Court of providing false financial statements. The defendants all appealed against the conviction while the public prosecutor also filed an appeal against the acquittal part of the verdict; and due to the death of Mr. Wang, the former Chairman of the Company, the High Court (No. 104 Jin Shang Chung Su Tzu 40) declared a dismissal judgment for Mr. Wang on July 25, 2017 with respect to the charges of non-arm's length transactions, breach of trust, and embezzlement. The High Court stated that there was no evidence prove that the defendants, other than Mr. Wang were guilty and the public prosecutor accepted the acquittal judgment without further appeal. As for the High Court's decision of guilty on the financial statement fraud, the sentences on two of the defendants were finalized because they were given probations and decided not to appeal; while the former Chairman Chen appealed to the Supreme Court, wherein the Supreme Court (No. 106 Tai Shang Tzu 3336), on July 25, 2018, reversed and remanded the case to the High Court whose further judgment (No. 107 Jun Shang Chung Geng Yi Tzu 8) on December 10, 2019 sentenced Mr. Chen guilty for misrepresented financial statements for certain years and guilty for violations of the Business Entity Accounting Act, as well as a five year probation; Chairman Chen filed an appeal while the SFIPC center also requested the prosecutor to appeal. The Supreme Court reversed and remanded the case to the High Court on July 17, 2020, whose further judgment (No. 109 Jun Shang Chung Geng Er Tzu 13) on May 13, 2020 sentenced two years' imprisonment and five-year probation for misrepresented financial statements for certain years. The former Chairman Chen has filed an appeal on June 11, 2022.

(ii) Impact on Operations

1) After the courts of the First, Second, and Last Instance investigation and trial, the defendants were not guilty of the charges of non-arm's length transactions, breach of trust, and embezzlement and vindicated themselves. The Company feels pleased but regrets the charges of misrepresenting the financial statements. The former Chairman Chen has appealed against the Second Instance. Therefore, the Company will await the court's decision to become finalized.

2) Since the occurrence of this case, the staff of the Company altogether have continued to stay on their posts and serve customers. The Company has also received support from proprietors and third party firms. The Company's revenue continues to grow, while the progress, collection and payment operations of projects remain normal. Current business and finances of the Company are quite robust, as the Company's operations have not been affected by any of the judicial events.

(iii) On December 5, 2013, based on the contents of the indictment, the SFIPC argued that it was inappropriate for the former three directors to hold such positions in the Company and appealed for court decision to dismiss the directors' positions.

Under the Taipei District Court's ruling in June 18, 2015, the SFIPC lost the lawsuit. The SFIPC filed an appeal, but due to the death of the former Chairman Wang, the SFIPC withdraw part of the appeal and changed its petition to be dismissing two directors' positions from June 16, 2015 to June 15, 2018. The court of Second Instance decided in early February 2016 to dismiss the complaint of the SFIPC about changes of claims. The SFIPC appealed to the Court of Third Instance on March 28, 2016. The Supreme Court (No. 106 Tai Shang Tzu 2658) revoked the original Second Instance judgment on September 28, 2018, and remanded the case to the High Court. On April 28, 2020, the two directors were disqualified from being a director by the High Court order. Both directors filed appeals on May 18, 2020, but due to the resignation of director Lee on June 2, 2020, she withdrew the appeal on June 3 in the same year and the court's decision on director Lee became finalized as of the date thereof. Mr. Chen did not reappoint as a director in the shareholder's meeting on August 17, 2021. The Supreme Court decided to dismiss the appeal of Mr. Chen on February 24, 2021, and the High Court's decision on Mr. Chen became finalized. The financial, business operations of the Company have also not been affected by this lawsuit.

(iv) According to the content of the indictment on January 27, 2014, the SFIPC filed a group lawsuit on behalf of the investor on the grounds that the Company's financial reports from the third quarter of 2008 to 2011 were misrepresented, requesting the Company, directors and former supervisors to jointly compensate the investors for the damage amounting to more than $243 million.

As stated above, the Company's operations and financial position have always been sound, and its share price has remained at a considerable level. It has been a stable and profitable company for a long time. Relevant parties have also indicated that the Company has handled the affairs of the Company's interests and has no caused the Company's financial reports to be misrepresented. The former Chairman Chen has appealed to the Supreme Court regarding the High Court's decision on the criminal case. Before the criminal case and the final judgment of this civil action are determined, whether the Company has misrepresented financial reports in the past years stated, the investors have been harmed, or the damage is related to false financial reporting, etc., it would take a period of time before the judgment is announced.

This lawsuit has also not affect the normal operation of the Company's current financial business.

(c) The Company received the civil judgment from the Taiwan Taipei District Court on September 2, 2014 that the Company should pay the package fees of $104,559 thousand and the former Chairman Wang's salary from January 2001 to April 2012, as previously paid by Dentsu, amounting to $21,405 thousand.

In the third quarter of 2014, in accordance with the judgment stated above, the Company assessed and took into accounts the package fees and salary paid by Dentsu, which have yet to be reimbursed by the Company (respectively logged as construction costs and management costs). The Company also estimated that the relevant interest payable as of December 31, 2021 amounted to $46,816 thousand (please refer to note 7).

As of the reporting date, the Company has yet to reimburse the abovementioned package fees, salary and related interests.

(d) On September 5, 2016, Jiangxi United Integrated Services Ltd. (“Jiangxi UIS”) and Fujian Mantix Display Technology Co. Ltd. (“Fujian Mantix”) have executed the “Clean City Subcontract A Turn-Key Agreement” for the “Phrase I Project of the Fujian Mantix High-Tech Panel Construction” (“Project”) in Hanjiang District, Putian City, and have subsequently executed four supplemental agreements, including the “Electrical and Mechanical Installation Project of Section A” and the “Light Current System Installation Project”. Jiangxi UIS had performed all of the obligations arising from the abovementioned agreements; while Fujian Mantix accepted and put the Project into operation for which warranty coverage has expired but failed to make payments amounting to CNY 27,303 thousand pursuant to the Agreements. On April 23, 2020, Jiangxi UIS filed a lawsuit to recover the unpaid fees and relevant interest and applied for an asset preservation order in the Fujian Putian Middle Class People's Court (“People's Court”). On June 5, 2020, the People's Court ordered to freeze Fujian Mantix's certain bank accounts within a certain range of deposit amounts. A meditated settlement agreement (“Settlement”) was reached between the parties subsequently and was approved by the People's Court on September 28, 2020. Pursuant to the Settlement, the parties agreed that the total sum of the unpaid amount shall be CNY 28,000 thousand (“Settlement Amount”). The Settlement Amount shall be paid in 7 installments commencing on October 31, 2020 with the last payments due on April 30, 2021, and if Fujian Mantix fails to pay on time, the total sum of the payment will be restored back to amount recognized by the parties amounting to CNY 27,301 thousand plus the interest of CNY 1,200 thousand.

As of December 31, 2021, the aforementioned receivables from construction had been received.

(XIII) Other important risks and countermeasures:

1. Assessment and analysis of information security risk: No significant risks.

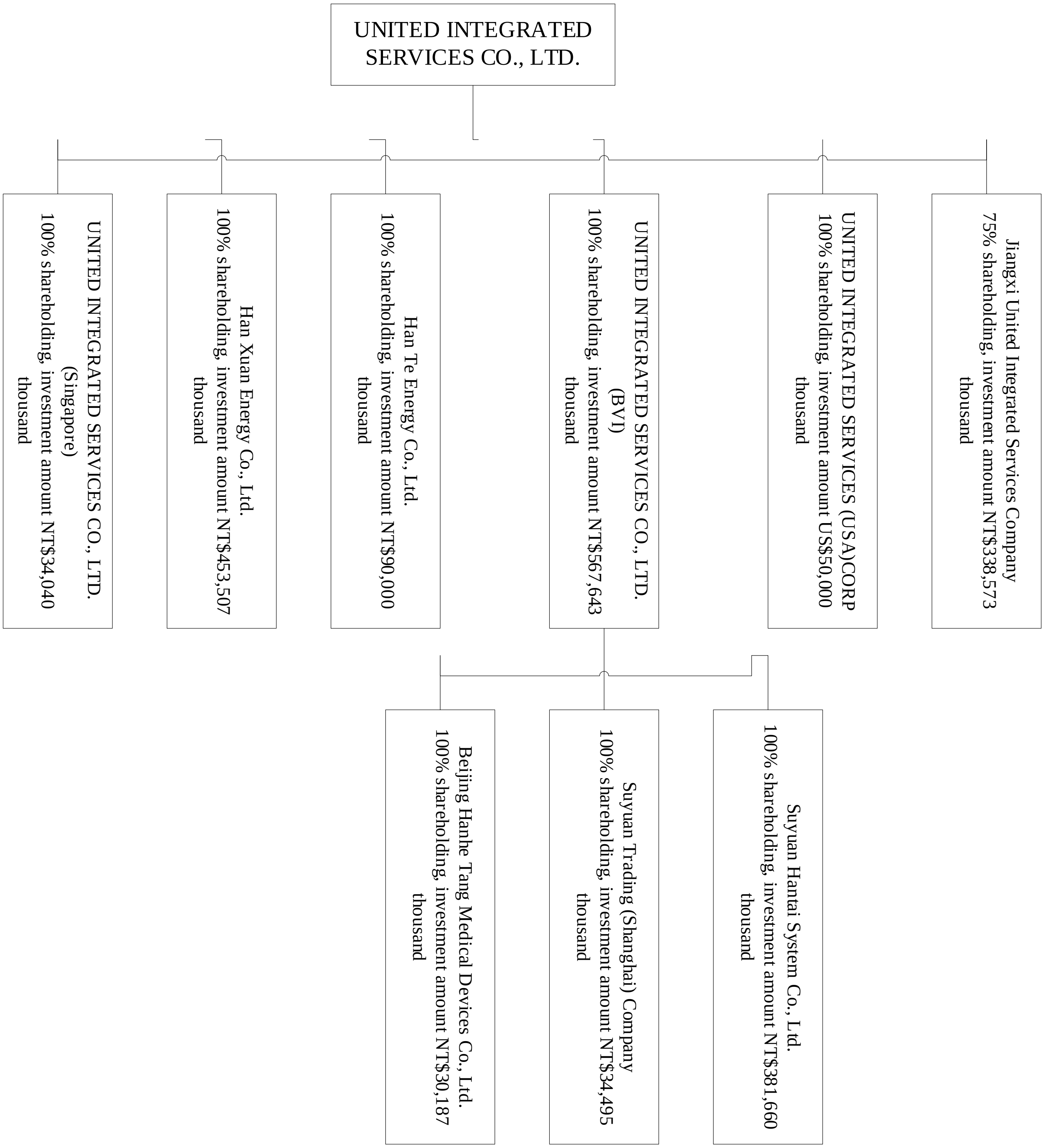
VII. Other important matters: None.

Eight. Special notes

I. Information of the affiliates

(I) Consolidated business report of the affiliates

1. Organizational chart of the affiliates



2. Basic profile of the affiliates

Unit: NT$ Thousands

Company name	Establishment date	Address	Paid-in capital	Actual investment amount	Main business or production project
UNITED INTEGRATED SERVICES CO., LTD. (BVI)	2000.12.19	Commence Chambers, Road Town Totola, British Virgin Islands.	567,643	567,643	Investment business
Suyuan Trading (Shanghai) Company	2001.7.2	Room 1102, No. 438, Pudian Road, Pudong New Area, Shanghai	34,495	34,495	Trades of semiconductors, cleanrooms, and electromechanical equipment
Suzhou Hantai System Integration Company	2006.4.29	No. 7, Chenghu East Road, Wuzhong Economic Development Zone, Suzhou	381,660	381,660	Production and sales of construction hardware and materials
Jiangxi United Integrated Services Company	2003.09.18	No. 176, Beijing West Road, Nanchang City, Jiangxi Province	446,702	338,573	Electromechanical business and pipeline equipment installation engineering
UNITED INTEGRATED SERVICES CO., LTD. (Singapore)	2011.01.25	30 MARSILING IND ESTATE ROAD 5#01-01 WIDEFIELD INDUSTRIAL BUILDING SINGAPORE	34,040	34,040	Cleanroom construction
Beijing Hanhe Tang Medical Devices Co., Ltd.	2012.06.19	Room 302, Ronghua Xintai Building, 3rd Floor, Building 3, Yard 10, Ronghua South Road, Daxing District, Beijing	30,187	30,187	Sales of Class III and Class II medical devices
Han Xuan Energy Co., Ltd.	2020.06.03	6th Floor, No. 297, Section 6, Roosevelt Road, Taipei City	500,000	500,000	Renewable energy self-use power generation equipment and energy technology services and the like
Han Te Energy Co., Ltd.	2020.09.01	6th Floor, No. 297, Section 6, Roosevelt Road, Taipei City	90,000	90,000	Renewable energy self-use power generation equipment and energy technology services and the like
UNITED INTEGRATED SERVICES(USA) CORP	2020.11.30	2435 E SOUTHERN AVE,STE 1,TEMPE,AZ,85282,USA	1,392,503	1,392,503	1. Transaction on mechanical and electrical, clean room installation engineering and equipment. 2. Planning and design related technical consulting services for various related projects.

3. The shareholders of the companies that are with a relationship of control and affiliation

Presumptive reasons	Title or name	Shareholdings		Establishment date	Address	Paid-in capital (NT$ Thousands)	Main business operations
		Shares	Shareholding ratio				
Related parties have a substantial control relationship	Dentsu Engineering Co., Ltd.	-	-	1981.06.19	5F, No. 79, Minsheng Road, Yonghe District, New Taipei City	27,000	Design and installation of computerized central monitoring systems, traffic control, environmental monitoring, computers, cleanroom, etc.
Related parties have a substantial control relationship	Fuguo Engineering Co., Ltd.	-	-	1985.03.18	6F-2, No. 95, Fuguo Road, Taipei City	25,000	Design and installation of computer room; electronic communication control system engineering, and the related material trades of the projects in the preceding paragraph
Related parties have a substantial control relationship	Huayuan Engineering Co., Ltd.	-	-	2006.07.13	2F, No. 109-1, Baoqing Street, Taipei City	10,000	Electrical installation, piping engineering, fire safety automatic control equipment engineering, etc.

4. Information of directors, supervisors, and President of each affiliate

Unit: Shares; %

Company name	Job title	Name or representative	Shareholdings	
			Shares	Shareholding ratio
UNITED INTEGRATED SERVICES CO., LTD. (BVI)	Chairperson	Belle Lee	17,697,630	100.
Han Xuan Energy Co., Ltd.	Chairperson	C.S. Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	50,000,000	100.
Han Te Energy Co., Ltd.	Chairperson	C.S. Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	9,000,000	100.
UNITED INTEGRATED SERVICES(USA) CORP	Director	Chih-Ming Lai (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	50,000,000	100.
	Director	Belle Lee (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	50,000,000	100.
	Director	Joseph Lee (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	50,000,000	100.
	Director	Kuo-Yu Wang (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	50,000,000	100.
	Director	Hsiao-Pang Yang (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	50,000,000	100.
Suyuan Trading (Shanghai) Company	Chairperson	Benny Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Director	C.S. Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Director	Juichin Wu (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
Suzhou Hantai System Integration Company	Chairperson	Benny Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Director	C.S. Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Director	Juichin Wu (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Supervisor	Yuanyi Wang (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
Jiangxi United Integrated Services Company	Chairperson	Benny Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	75.
	Director	C.S. Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	75.
	Director	Joseph Lee (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	75.
	Director	Shaoming Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	75.
	Director	Juichin Wu (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	75.
	Director	Chienhu Huang (Representative of Jiangxi Construction Engineering (Group) Co., Ltd.)	Note	25.
	Director	Hsin Hsu (Representative of Jiangxi Construction Engineering (Group) Co., Ltd.)	Note	25.
UNITED INTEGRATED SERVICES CO., LTD. (Singapore)	Chairperson	Belle Lee	Note	100.
	Director	ZHAO KE (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
Beijing Hanhe Tang Medical Devices Co., Ltd.	Chairperson	Benny Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Director	Ou Chang (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Director	Shihao Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Supervisor	Huifen Li (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.

Note: It is registered with the capital contribution amount indicated.

5. Affiliate operation overview

Unit: NT$ Thousands December 31, 2021

Company name	Capital amount	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Profit and loss (after tax)	Earnings per share (NT$) (after tax)
UNITED INTEGRATED SERVICES CO., LTD. (BVI)	567,643	1,170,241	409,894	760,347	59,290	5,773	22,936	1.30
UNITED INTEGRATED SERVICES CO., LTD. (Singapore)	34,040	28,526	57,829	(29,303)	1,643	(4,685)	(2,510)	(1.67)
Jiangxi United Integrated Services Company	446,702	2,592,950	1,954,369	638,581	2,793,506	274,769	204,029	2.04
Han Xuan Energy Co., Ltd.	500,000	630,733	143,628	487,105	0	(7,568)	(9,813)	(0.20)
Han Te Energy Co., Ltd.	90,000	89,800	94	89,706	0	(221)	(211)	(0.02)
UNITED INTEGRATED SERVICES(USA) CORP	1,392,503	1,514,583	151,578	1,363,005	78,875	(27,269)	(20,066)	(0.40)

(II) Consolidated business report of the affiliates: Please refer to Appendix **A**.

(III) Relationship report: Not applicable.

II. For the private placement of securities processed in the most recent year and as of the annual report printing date, it is necessary to disclose the date and amount resolved in the shareholders meeting or the board meeting, the basis and reasonableness of the price determination, the method of selecting the specific persons, the must reasons for the private placement, and from the stock proceeds collected to the fund implementation plan completed, the fund use of the private placement of securities, and plan implementation in the most recent year and as of the annual report printing date: None.

III. The Company's stock shares held or disposed by the subsidiary in the most recent year and as of the annual report printing date

The acquisition and disposal of the Company's stock shares by the subsidiaries

Unit: NT$ Thousands / Thousand shares / %

Name of subsidiary	Paid-in capital	Source of funds	The Company's shareholding ratio	Acquisition or disposal date	Number of shares acquired and amount	Number of shares disposed and amount	Investment gains and losses	Number of shares held and amount as of the annual report printing date	Pledge made	Making of endorsements/guarantees for the subsidiary by the Company	Loaning of funds to the subsidiary by the Company
UNITED INTEGRATED SERVICES CO., LTD. (BVI)	567,643	Shareholders' investment	100.00%	2021	-	-	-	-	-	-	-
				As of the current annual report printing date	-	-	-	-	-	-	-
Suyuan Trading (Shanghai) Company	34,495	Shareholders' investment	100.00%	2021	-	-	-	-	-	-	88,461
				As of the current annual report printing date	-	-	-	-	-	-	90,984
Jiangxi United Integrated Services Company	453,360	Shareholders' investment	75.00%	2021	-	-	-	-	-	-	-
				As of the current annual report printing date	-	-	-	-	-	-	-
UNITED INTEGRATED SERVICES(USA) CORP	1,392,503	Shareholders' investment	100.00%	2021	-	-	-	-	-	-	-
				As of the current annual report printing date	-	-	-	-	-	-	-
UNITED INTEGRATED SERVICES CO., LTD. (Singapore)	22,620	Shareholders' investment	100.00%	2021	-	-	-	-	-	-	-
				As of the current annual report printing date	-	-	-	-	-	-	-

IV. Other necessary supplementary notes: None.

Nine. The occurrence of the events that have significant impact on shareholders' equity or securities price as stipulated in Section 2, Paragraph 2, of Article 36 of the Act in the most recent year or as of the annual report printing date should be itemized for illustration:

Please refer to this annual report (Page 104 of the annual report) Seven: review and analysis of financial conditions and operating results and risk matters, Clause 12 of Paragraph 6 "Risk Management Analysis and Evaluation:" Litigation or non-litigation events: The sentenced or outstanding major litigation, non-litigation, or administrative dispute of the Company and the Company's directors, supervisors, president, substantive principal, major shareholders with more than 10% shareholding, and subsidiaries in the most recent year and as of the annual report printing date that may have a significant impact on shareholders' equity or securities prices.

Stock Code:2404

UNITED INTEGRATED SERVICES CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

Address: **6F., No.297, Section 6, Roosevelt Rd, Taipei City 116, Taiwan (R.O.C)**

Telephone: **(02)2917-4060**

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

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Representation Letter

The entities that are required to be included in the combined financial statements of United Integrated Services Co., Ltd. as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, United Integrated Services Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: United Integrated Services Co., Ltd.

Chairman: Belle Lee

Date: March 23, 2022

Independent Auditors' Report

To the Board of Directors of United Integrated Services Co., Ltd.:

Opinion

We have audited the consolidated financial statements of United Integrated Services Co., Ltd. and its Subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Matter

We did not audit the financial statements of investee companies under the equity method and certain information of Note 13 (b) "Information on investees of the consolidated financial statements". Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these investee companies, is based solely on the reports of other auditors. The investments in the investee companies constituted 3.68% and 3.14% of the consolidated total assets, as of December 31, 2021 and 2020, respectively. For the years then ended, the recognized shares of profit of associates accounted for using the equity method of these investee companies constituted 1.95% and 1.01% of the consolidated total profit before tax, respectively.

United Integrated Services Co., Ltd. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion with the Other Matter paragraph.

Key Audit Matters

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

1. Revenue recognition

   For the accounting policies related to revenue recognition, please refer to Note 4 (o) "Revenue recognition"; for uncertainty of accounting estimates and assumption for revenue recognition, please refer to Note 5 (b) "Revenue recognition"; for information of revenue recognition, please refer to Note 6 (u) "Revenue from contracts with customers" to the consolidated financial statements.

   Description of Key Audit Matter:

   The Group recognizes construction contract revenue by percentage of completion method. The percentage of completion is based on the contract costs incurred as of the financial statements reporting date, representing the percentage of the estimated total contract costs. Because construction contract accounting involves a high level of estimation and judgment, revenue recognition has been identified as one of the key audit matters for our audit.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, our principal audit procedures included testing the effectiveness of the internal control related to the timing and precision of revenue recognition. Through sampling and reviewing new construction contracts and related documents throughout the Group's reporting period, we obtained annual project revenue statistics and validated the correctness of revenue recognized on the projects.

2. Accounts receivable impairment assessment

   For the accounting policies related to the impairment assessment of accounts receivable, please refer to Note 4 (g) "Financial instruments"; for uncertainty of accounting estimates and assumption for the impairment assessment of accounts receivable, please refer to Note 5 (a) "Impairment assessment of accounts receivable"; for information of the impairment assessment of accounts receivable, please refer to Note 6 (c) "Notes and accounts receivable" to the consolidated financial statements.

   Description of Key Audit Matter:

   The Group recognized expected credit loss in accordance with the Group's policy of allowance for accounts receivable, and established its estimation based on its clients' credit risk, historical experiences of credit loss, and rational expectation of future economic conditions. Since the accounting of expected credit loss of accounts receivable involves a high level of estimation and judgment, the impairment assessment of accounts receivable has been identified as one of the key audit matters for our audit.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, our principal audit procedures included: (i) understanding the accounting policies of the impairment assessment of notes and trade receivables; (ii) implementing sampling procedures to examine the accuracy of accounts receivable aging report; (iii) analyzing the changes of the aging of accounts receivable in each period; (iv) examining historical collection records; (v) examining subsequent collection status to evaluate the reasonableness of the Group's recognition of allowance for impairment loss.

3. Financial instruments assessment

   For the accounting policies related to the assessment of financial instruments, please refer to Note 4 (g) "Financial Instruments"; for uncertainty of accounting estimates and judgments for fair value of financial instruments, please refer to Note 5 (c) "Fair value of financial instruments"; for information of the fair value of financial instruments, please refer to Note 6 (x) "Fair value hierarchy information" to the consolidated financial statements.

   Description of Key Audit Matter:

   The accounting of the assessment of financial instruments involves a high level of estimation and judgment. Therefore, the assessment of financial instruments has been identified as one of the key audit matters for our audit.

   How the matter was addressed in our audit:

   The principal audit procedures for the above key audit matters by the accountant include testing the investment cycle and financial reporting process of the Group and assessing the internal control of the disclosure of the financial statements. Appointed our valuation specialists to assess the reasonableness of valuation techniques and to test the key parameters of financial assets without active market prices, wherein valuation models are used to ensure that the applied valuation techniques are in accordance with IFRS 13 “Fair Value Measurement”.

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

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

In preparing the consolidated financial statements, the 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 the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors’ report are Fu-Jen, Chen and Jung-Lin, Lee.

KPMG

Taipei, Taiwan (Republic of China)
March 23, 2022

Notes to Readers

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

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

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

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar)

	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note6(a))	$ 6,922,880	29	8,501,567	32
1110	Current financial assets measured at fair value through profit or loss (note6(b)(x))	710,961	3	499,890	2
1140	Current contract assets (note6(u))	3,389,495	14	2,246,005	8
1150	Notes receivable, net (note6(c))	1,016	-	7,383	-
1170	Accounts receivable, net (note6(c)(u) and 12)	2,896,744	12	7,137,679	26
1180	Accounts receivable－related parties (note6(c)(u) and 7)	107	-	-	-
1220	Current tax assets	2	-	-	-
130X	Inventories (note6(d))	58,433	-	51,459	-
1410	Prepayments (note6(e) and 7)	1,352,701	6	789,921	3
1470	Other current assets (note6(l))	3,631,034	15	3,717,894	14
	Total current assets	18,963,373	79	22,951,798	85
	Non-current assets:				
1510	Non-current financial assets measured at fair value through profit or loss (note6(f)(x))	3,529	-	6,805	-
1517	Non-current financial assets measured at fair value through other comprehensive income (note6(g)(x))	2,026,136	9	1,958,718	7
1550	Investments accounted for using equity method (note6(h))	874,867	4	849,145	3
1600	Property, plant and equipment (note6(i) and 7)	1,328,217	6	790,818	3
1755	Right-of-use assets (note6(j))	285,099	1	192,323	1
1780	Intangible assets (note6(k))	22,096	-	3,353	-
1840	Deferred tax assets (note6(r))	181,705	1	165,079	1
1900	Other non-current assets (note6(l) and 8)	64,480	-	130,528	-
	Total non-current assets	4,786,129	21	4,096,769	15
	Total assets	**$ 23,749,502**	**100**	**27,048,567**	**100**

	Liabilities and Equity	Amount	%	Amount	%
	Current liabilities:				
2130	Current contract liabilities (note6(u))	$ 7,191,840	30	7,266,043	27
2150	Notes payable (note6(x))	64,094	-	62,630	-
2160	Notes payable－related parties (note6(x) and 7)	-	-	5,983	-
2170	Accounts payable (note6(x))	4,588,716	19	6,819,282	25
2180	Accounts payable－related parties (note6(x) and 7)	67,757	-	236,093	1
2220	Other payables－related parties (note7 and 12)	172,780	1	166,481	1
2230	Current tax liabilities	187,234	1	507,633	2
2250	Current provisions (note6(n))	11,812	-	19,408	-
2280	Current lease liabilities (note6(j)(p)(x))	58,679	-	14,568	-
2300	Other current liabilities (note6(o)(q)(x))	861,533	4	961,537	4
	Total current liabilities	13,204,445	55	16,059,658	60
	Non-Current liabilities:				
2550	Non-current provisions (note6(q))	176,745	1	326,982	1
2570	Deferred tax liabilities (note6(r))	108,287	-	95,643	-
2580	Non-current lease liabilities (note6(j)(p)(x))	211,167	1	149,400	-
2670	Other non-current liabilities (note6(o)(x))	282,550	1	265,366	1
	Total non-current liabilities	778,749	3	837,391	2
	Total liabilities	13,983,194	58	16,897,049	62
31XX	**Equity attributable to owners of parent (note6(g)(q)(s)):**				
3100	Common stock	1,905,867	8	1,905,867	7
3200	Capital surplus	377,460	2	368,144	1
	Retained earnings:				
3310	Legal reserve	2,416,160	10	2,015,786	7
3350	Unappropriated earnings	4,010,254	17	4,866,403	18
		6,426,414	27	6,882,189	25
3400	Other equity	896,922	4	847,854	4
	Total equity attributable to owners of parent	9,606,663	41	10,004,054	37
36XX	Non-controlling interests	159,645	1	147,464	1
	Total equity	9,766,308	42	10,151,518	38
	Total liabilities and equity	**$ 23,749,502**	**100**	**27,048,567**	**100**

December 31, 2021 **December 31, 2020**

See accompanying notes to consolidated financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar, Except Earnings Per Share)

		2021		2020	
		Amount	%	Amount	%
4000	**Operating Revenues (note6(u) and 7):**				
4520	Construction revenue	$ 25,401,497	99	35,630,541	99
4600	Service and design revenue etc.	204,644	1	206,101	1
	Operating revenues, net	25,606,141	100	35,836,642	100
5000	**Operating costs (note6(d)(k)(p)(q), 7 and 12):**				
5520	Construction cost	21,441,053	84	30,084,477	84
5600	Service and design cost etc.	78,452	-	68,019	-
	Total operating costs	21,519,505	84	30,152,496	84
	Gross profit from operations	4,086,636	16	5,684,146	16
	Operating expenses (note6(c)(k)(p)(q)(v),7 and 12):				
6100	Selling expenses	27,285	-	37,216	-
6200	Administrative expenses	904,993	4	1,002,471	3
6300	Research and development expenses	30,000	-	34,723	-
6450	Reversal of expected credit losses	(15,303)	-	(10,910)	-
	Total operating expenses	946,975	4	1,063,500	3
	Net operating income	3,139,661	12	4,620,646	13
	Non-operating income and expenses:				
7010	Other income (note6(b)(g)(w) and 7)	67,408	-	90,646	-
7020	Other gains and losses (note6(w))	194,463	2	222,236	1
7100	Interest income (note6(w))	96,436	-	104,428	-
7510	Interest expense (note6(p)(w) and 7)	(11,822)	-	(7,600)	-
7370	Share of profit of associations and joint ventures accounted for using equity method (note6(h))	69,168	-	51,446	-
	Total non-operating income and expenses	415,653	2	461,156	1
7900	**Net income from continuing operations before tax**	3,555,314	14	5,081,802	14
7950	Less: Income tax expenses (note6(r))	734,832	3	990,470	3
8200	**Net income**	2,820,482	11	4,091,332	11
8300	**Other comprehensive income(note6(g)(q)(r)(s)):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains (losses) on remeasurements of defined benefit plans	17,388	-	(37,279)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	67,418	-	(93,061)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	814	-	261	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	3,478	-	(7,456)	-
	Items that may not be reclassified subsequently to profit or loss	82,142	-	(122,623)	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign operation	(19,423)	-	11,483	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(3,810)	-	1,057	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(3,635)	-	1,974	-
	Items that may be reclassified subsequently to profit or loss	(19,598)	-	10,566	-
8300	**Other comprehensive income**	62,544	-	(112,057)	-
8500	**Comprehensive income**	$ 2,883,026	11	3,979,275	11
	Profit attributable to:				
8610	Shareholders of the Company	$ 2,769,475	11	4,033,304	11
8620	Non-controlling interests	51,007	-	58,028	-
		$ 2,820,482	11	4,091,332	11
	Comprehensive income attributable to:				
8710	Shareholders of the Company	$ 2,833,267	11	3,919,632	11
8720	Non-controlling interests	49,759	-	59,643	-
		$ 2,883,026	11	3,979,275	11
9750	**Basic earnings per share (in dollars)(note6(t))**	$	14.53		21.16
9850	**Diluted earnings per share (in dollars)(note6(t))**	$	14.36		20.83

See accompanying notes to consolidated financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar)

	Equity attributable to owners of parent										
	Share capital		Retained earnings			Other equity			Total equity		
	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity	attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2020	$ 1,905,867	373,561	1,730,497	3,625,577	5,356,074	(111,603)	1,043,567	931,964	8,567,466	170,347	8,737,813
Net income	-	-	-	4,033,304	4,033,304	-	-	-	4,033,304	58,028	4,091,332
Other comprehensive income	-	-	-	(29,562)	(29,562)	8,951	(93,061)	(84,110)	(113,672)	1,615	(112,057)
Total comprehensive income	-	-	-	4,003,742	4,003,742	8,951	(93,061)	(84,110)	3,919,632	59,643	3,979,275
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	285,289	(285,289)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(2,477,627)	(2,477,627)	-	-	-	(2,477,627)	-	(2,477,627)
Other changes in capital surplus:											
Changes in equity of associates and joint ventures accounted for using equity method	-	(5,417)	-	-	-	-	-	-	(5,417)	-	(5,417)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(82,526)	(82,526)
Balance on December 31, 2020	1,905,867	368,144	2,015,786	4,866,403	6,882,189	(102,652)	950,506	847,854	10,004,054	147,464	10,151,518
Net income	-	-	-	2,769,475	2,769,475	-	-	-	2,769,475	51,007	2,820,482
Other comprehensive income	-	-	-	14,724	14,724	(18,350)	67,418	49,068	63,792	(1,248)	62,544
Total comprehensive income	-	-	-	2,784,199	2,784,199	(18,350)	67,418	49,068	2,833,267	49,759	2,883,026
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	400,374	(400,374)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(3,239,974)	(3,239,974)	-	-	-	(3,239,974)	-	(3,239,974)
Other changes in capital surplus:											
Changes in equity of associates and joint ventures accounted for using equity method	-	9,111	-	-	-	-	-	-	9,111	-	9,111
Overdue unclaimed dividend transferred in	-	205	-	-	-	-	-	-	205	-	205
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(37,578)	(37,578)
Balance on December 31, 2021	**$ 1,905,867**	**377,460**	**2,416,160**	**4,010,254**	**6,426,414**	**(121,002)**	**1,017,924**	**896,922**	**9,606,663**	**159,645**	**9,766,308**

See accompanying notes to consolidated financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar)

		2021	2020
Cash flows from (used in) operating activities:			
Income before income tax	$	3,555,314	5,081,802
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		69,552	48,713
Amortization expense		1,630	1,475
Reversal of expected credit losses		(15,303)	(10,910)
Net profit on financial assets measured at fair value through profit or loss		(194,990)	(285,777)
Interest expense		11,822	7,600
Interest income		(96,436)	(104,428)
Dividend income		(12,273)	(43,697)
Share of profit of associates and joint ventures accounted for using equity method		(69,168)	(51,446)
Gains on disposal of property, plant and equipment		(15)	(2,705)
Gains on disposal of investments		(31,382)	-
Total adjustments to reconcile loss		(336,563)	(441,175)
Changes in operating assets and liabilities:			
Changes in operating assets:			
Increase in current contract assets		(1,143,490)	(565,923)
Decrease in notes receivable		6,367	109,976
Decrease (increase) in accounts receivable		4,257,591	(2,343,639)
Iecrease in accounts receivable－ related parties		(107)	-
Increase in inventories		(6,974)	(13,762)
(Increase) decrease in prepayments		(562,780)	402,984
Decrease in other current assets		14,279	47,506
Subtotal of changes in operating assets		2,564,886	(2,362,858)
Changes in operating liabilities:			
(Decrease) increase in current contract liabilities		(74,203)	750,658
Increase in notes payable		1,464	48,191
(Decrease) increase in notes payable－related parties		(5,983)	5,983
(Decrease) increase in accounts payable		(2,230,566)	1,298,839
(Decrease) increase in accounts payable－related parties		(168,336)	136,339
(Decrease) increase in current provisions		(7,596)	2,665
(Decrease) increase in other current liabilities		(100,004)	198,155
(Decrease) increase in net defined benefit liability		(132,849)	751
Decrease in other non-current liabilities		(1,909)	(25,096)
Subtotal of changes in operating liabilities		(2,719,982)	2,416,485
Total changes in operating assets and liabilities		(155,096)	53,627
Total adjustments		(491,659)	(387,548)
Cash inflow generated from operations		3,063,655	4,694,254
Interest received		94,412	110,788
Interest paid		(5,523)	(1,302)
Income taxes paid		(1,059,019)	(1,030,009)
Net cash flows from operating activities		2,093,525	3,773,731
Cash flows from (used in) investing activities:			
Proceeds from capital reduction of financial assets at fair value through profit or loss		3,251	-
Acquisition of financial assets at fair value through profit or loss		(26,408)	(392)
Proceeds from disposal of financial assets at fair value through profit or loss		41,532	-
Proceeds from disposal of investments accounted for using equity method		535	-
Acquisition of property, plant and equipment		(463,340)	(39,100)
Proceeds from disposal of property, plant and equipment		80	6,948
Decrease in guarantee deposits paid		277	5,828
Acquisition of intangible assets		(19,800)	(1,456)
Decrease in other financial assets		36,741	954,785
Increase in other non-current assets		(101)	(104,941)
Dividends received		61,501	79,872
Net cash flows from (used in) investing activities		(365,732)	901,544
Cash flows from (used in) financing activities:			
Increase in guarantee deposits received		19,093	4,611
Payment of lease liabilities		(28,811)	(21,066)
Cash dividends paid		(3,239,974)	(2,477,627)
Overdue unclaimed dividends transferred to capital surplus		205	-
Changes in non-controlling interests		(37,578)	(82,526)
Net cash flows used in financing activities		(3,287,065)	(2,576,608)
Effect of exchange rate changes on cash and cash equivalents		(19,415)	11,678
Net (decrease) increase in cash and cash equivalents		(1,578,687)	2,110,345
Cash and cash equivalents at beginning of period		8,501,567	6,391,222
Cash and cash equivalents at end of period	$	6,922,880	8,501,567

See accompanying notes to consolidated financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

(1) Company history

United Integrated Services Co., Ltd. (hereinafter referred to as the "Company") was incorporated as a limited company under the provisions of the Ministry of Economic Affairs, R.O.C on September 13, 1982, as United Technology And Engineering Co., Ltd.. The Company reincorporated as United Linkfast Co., Ltd. on March 14, 1990. On October 30, 1990, the Company merged with Linkfast System Co., Ltd. The surviving company was United Linkfast Co., Ltd., and renamed as United Integrated Services Co., Ltd. on May 29, 2002. The registered address of the Company was 6F., No.297 Sec.6, Roosevelt Rd., Wenshan Dist., Taipei City, Taiwan (R.O.C). On July 29, 2003, the Company merged with TAI QUN Technology Co., Ltd. through the cash consideration method. The surviving company was United Integrated Services Co., Ltd..

The Company and its subsidiaries (collectively referred hereinafter as the "Group") are primarily engaged in: (1) Contracting various running water projects, instrumental control projects, refrigerating and air conditioning projects, installation of clean rooms and the related transactions and manufacturing of supplies. (2) Traffic surveillance & control system engineering building, factory computer control monitoring systems, engineering environment monitoring systems, the design and installation of engineering toll collection systems and related supply transactions. (3) Various electrical and mechanical engineering contracts for transmission and distribution of electric power. (4) The design, installation, maintenance and trading of related equipment of various computerized automatic engineering monitoring systems. (5) Contracting of various computer and communication system integration projects and the manufacturing and trading of related software and hardware. (6) Installation and design of controlling equipment in computer rooms. (7) Technical advisory services for planning and designing of projects. (8) Importing restrained telecom radio frequency equipment.

United Integrated Services (British Virgin Islands) Ltd. (UIS BVI), a holding company established in the third place in accordance to relevant laws of Republic of China, was established in accordance with the British Virgin Islands International Business Law on October 31, 2001. The company is engaged in investing in Su Yuan (Shanghai) Trading Ltd. and Suzhou Han Tai System Integrated Ltd., trading various engineering equipment and participating in installation projects. On August 2012, UIS BVI invested in Beijing Han He Tang Medical Instrument Ltd. and engaged in businesses such as distribution and agency services for medical devices.

On September 18, 2003, Jiangxi United Integrated Services Ltd. was incorporated as a limited company under the Ministry of Commerce of the People's Republic of China and the Jiangxi Provincial Administration of Industry and Commerce. The company mostly engages in is pipeline equipment installation projects.

On January 25, 2011, United Integrated Services Pte Ltd. was incorporated as a limited company under the Singapore Accounting & Corporate Regulatory Authority. The company mainly engages in the construction of clean rooms.

On June 3, 2020, Hanxuan Energy Co., Ltd. (Hanxuan Energy) was incorporated as a company limited by shares under the Taipei City Government. The major business activities of the company are the self-usage power generation equipment utilizing renewable energy, and energy technical services.

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

On September 1, 2020, Hunter Energy Co., Ltd. (Hunter Energy) was incorporated as a company limited by shares under the New Taipei City Government. The major business activities of the company are the self-usage power generation equipment utilizing renewable energy, and energy technical services.

On November 30, 2020, UNITED INTEGRATED SERVICES (USA) CORP. (UIS(USA)) was incorporated as a company limited by shares under the Arizona Corporation Commission. The major business activities of the company are: (1) the installation construction of electrical and clean room, as well as the related transactions of supplies. (2) technical advisory services for planning and designing of projects.

For the years ended December 31, 2021 and 2020, the composition of the consolidated financial statements includes the Company, its subsidiaries (the Group), and the affiliates of the Group in the associates. Please refer to note 4 (c) for the main operation items of the Group.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on March 23, 2022.

(3) New standards, amendments and interpretations adopted:

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

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

● Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"

● Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"

● Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

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

The Group's adoption of the new amendments, effective for annual period beginning on January 1, 2022, are expected to have the following impacts:

(i) Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"

The amendments clarify that the 'costs of fulfilling a contract' comprises the incremental costs and an allocation of other direct costs. Those amendments shall apply to contracts for which it has not yet fulfilled all its obligations on January 1, 2022. The Group estimated the application of the amendments resulting in the in the provision and the retained earnings to increase and decrease by $0 thousand, respectively, on January 1, 2022.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other amendments

The following amendments are not expected to have a significant impact on the Group's consolidated financial statements.

● Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"

● Annual Improvements to IFRS Standards 2018－2020

● Amendments to IFRS 3 "Reference to the Conceptual Framework"

The estimated impact of adopting the new IFRS may change due to future changes in circumstances or conditions.

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	Effective date to be determined by IASB

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

● IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"

● Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

● Amendments to IAS 1 "Disclosure of Accounting Policies"

● Amendments to IAS 8 "Definition of Accounting Estimates"

● Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Transaction”

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies

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

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

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

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

3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principles of preparation of consolidated financial statements

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

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with those used by the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions.

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

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2021**	**December 31, 2020**	**Description**
The Company	United Integrated Services BVI	Investment Business	100%	100%	Subsidiary of the Company
The Company	Jiangxi United Integrated Services Ltd.	Electromechanical business and pipeline engineering business	75%	75%	Subsidiary of the Company
The Company	United Integrated Services Pte Ltd.	Clean room construction	100%	100%	Subsidiary of the Company
The Company	Hanxuan Energy Co., Ltd. (note)	self-usage power generation equipment utilizing renewable energy and energy technical services	100%	100%	Subsidiary of the Company
The Company	Hunter Energy Co., Ltd. (note)	self-usage power generation equipment utilizing renewable energy and energy technical services	100%	100%	Subsidiary of the Company
The Company	UNITED INTEGRATED SERVICES (USA) CORP.	Clean room construction	100%	100%	Subsidiary of the Company
United Integrated Services BVI	Su Yuan (Shanghai) Trading Ltd.	Selling semiconductors, clean rooms and electromechanical equipment	100%	100%	Subsidiary of United Integrated Services BVI
United Integrated Services BVI	Suzhou Han Tai System Integrated Ltd	Construction hardware materials production and sales	100%	100%	Subsidiary of United Integrated Services BVI
United Integrated Services BVI	Beijing Han He Tang Medical Instrument Ltd.	Distribution agency for medical equipment, import and export of goods, after-sales service	100%	100%	Subsidiary of United Integrated Services BVI

Note: It has not been in operation yet.

All of subsidiaries included in the consolidated financial statements.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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

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

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

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

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

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

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

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

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

2) It is held primarily for the purpose of trading;

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

4) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

An entity shall classify a liability as current when:

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

2) It is held primarily for the purpose of trading;

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

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

(iii) Other

The Group is mainly engaged in the planning, designation and construction contracting of various projects. Its business cycle is about three to five years. Due to assets and liabilities related to the engineering business, are based on operating cycle as the standard for dividing current or non-current.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in fair value. The definition of time deposit within 3 months is similar to that of cash equivalent; however, the purpose of holding time deposit is for short term cash commitment rather than investment.

(Continued)

(g) Financial instruments

(i) Financial assets

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

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

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

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

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

3) Fair value through profit or loss (FVTPL)

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

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

(Continued)

4) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Impairment of financial assets

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

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

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

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

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

(Continued)

The Group considers a financial asset to be in default when the financial asset is more than a year past due, or the debtor is unlikely to pay its credit obligations to the Group in full.

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than a year past due;
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

6) Derecognition of financial assets

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

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

(Continued)

(ii) Financial liabilities

1) Financial liabilities

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

2) Derecognition of financial liabilities

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

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

3) Offsetting of financial assets and liabilities

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

(h) Inventories

The cost of inventories consists of all costs of purchase, conversion, and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories includes an appropriate share of fixed production overhead based on normal capacity and allocated variable production overhead based on actual output. However, unallocated fixed production overhead arising from lower or idle capacity is recognized in cost of goods sold during the period. If actual capacity is higher than normal capacity, fixed production overhead should be allocated based on actual capacity. The method of valuing inventories is the weighted average method.

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period. When the cost of inventories is higher than the net realizable value, inventories are written down to net realizable value, and the write down amount is charged to current year's cost of goods sold. If net realizable value increases in the future, the cost of inventories is reversed within the original write down amount, and such reversal is treated as a reduction of cost of goods sold.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

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

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

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

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

Buildings	5~50 years
Machinery	3~7 years
Plant equipment	3~50 years
Transportation equipment	3~5 years
Office equipment	3~10 years
Leasehold improvements	5 years

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

(k) Leases

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

(i) As a lessee

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

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- there is any lease modifications

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

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

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

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

From January 1, 2021, when the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group will remeasure the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

(ii) As a leasor

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

(Continued)

(l) Intangible assets

(i) Recognition and measurement

Other intangible assets, including computer software, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortization

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

The estimated useful lives for current and comparative periods are as follows:

Computer software	2~10 years

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

(m) Impairment of non-financial assets

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

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

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

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

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

(Continued)

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

(n) Provisions

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

The Group shall provide one-thousandth of the total contract amounts for the completed project within one year of the period-end settlement for the project warranty reserve. When the actual expenditure occurs, the provision is reversed, and if there is a deficiency, it is listed as the annual expense.

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

(o) Revenue Recognition

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

(i) Sale of goods

The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Consulting Services

The Group is engaged in providing construction consulting and design services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the surveys of work performed.

(iii) Construction contracts

The Group enters into contracts to design and install constructions. Because its customer controls the asset as it is being constructed, the Group recognizes revenue over time basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed and variable amounts. Considering the progress of a public construction is highly susceptible to factors outside the Group's control and, therefore, completion bonus is usually constrained, the Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

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

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

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

For constructions, the Group offers a standard warranty to provide assurance that they comply with agreed-upon specifications and has recognized warranty provisions for this obligation.

(p) Contract costs

(i) Incremental costs of obtaining a contract

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

(Continued)

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

(ii) Costs to fulfil a contract

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

- The costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- The costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- The costs are expected to be recovered.

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

(q) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short term employee benefits

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

(r) Income tax

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

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

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

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

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

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

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

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

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

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

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

1) the same taxable entity; or

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

(s) Earnings per share

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

(t) Operating segments

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

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

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

(Continued)

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

(a) Judgment regarding significant influence of investees

The Group has less than 20% of the voting or potential voting rights of Wholetech System Hitech Limited, JG Environmental Technology Co., Ltd. and Eco Energy Corporation. However, the Group has determined that it has significant influence because it has representation on the board of Wholetech System Hitech Limited, JG Environmental Technology Co., Ltd. and Eco Energy Corporation.

(b) Judgment of whether the Group has substantive control over its investees

The Group holds 33.30% of the outstanding voting shares of Ablerex Electronics Co., Ltd and is the single largest shareholder of the investee. Although the remaining 66.70% of Ablerex Electronics Co., Ltd's shares are not concentrated within specific shareholders, the Group still cannot obtain more than half of the total number of Ablerex Electronics Co., Ltd's directors. Therefore, it is determined that the Group has significant influence on Ablerex Electronics Co., Ltd.

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

(a) Impairment assessment of accounts receivable

The Group has estimated the allowance for loss on trade receivable that is based on the risk of default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating impairments and the selected inputs. For relevant assumptions and input values, please refer to Note 6 (c).

(b) Revenue recognition

The Group recognizes contract revenues based on the degree of completion on construction contracts; degree of completion is calculated with contract costs incurred to date as a percentage of estimated total contract costs. The Group considers the nature of each project, the estimated construction period, the project item, the construction process, the construction method and the estimated amount of the subcontracts when estimating total contract costs. Any changes in the estimates above may result in a significant adjustment to the estimated amount, please refer to Note 6 (u).

(c) Fair value of financial instruments

The fair value of financial instruments in non active markets or without open market quotes is determined by evaluation models or counterparty quotations. When using the evaluation model to determine fair value, all models only use observable data as input values without artificial adjustment. The observable input value is based on the principle of long term stable market used parameters to avoid differences in cross period financial reporting due to changes in data sources. The model must be repeatedly adjusted and verified to ensure that the output is sufficient to properly reflect the value of the asset.

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For detailed information on the main assumptions used in determining the fair value of the financial instruments and detailed sensitivity analysis of these assumptions, please refer to Note 6 (x).

(d) Measurement of defined benefit obligations

Defined benefit costs and net defined benefit liabilities (assets) under defined benefit pension plans are calculated using the Projected Unit Credit Method. The appropriate actuarial assumptions include the discount rate, employee turnover rate, and future salary increase rate. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and liability. Please refer to Note 6 (q) for the material actuarial assumptions and sensitivity analysis for actuarial calculations.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

		December 31, 2021	**December 31, 2020**
Cash on hand and petty cash	$	6,223	10,517
Demand deposits		3,872,311	4,951,591
Check deposits		60,990	3,718
Time deposits		2,983,356	3,535,741
Cash and cash equivalents in the consolidated statement of cash flow	**$**	**6,922,880**	**8,501,567**

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

(b) Current financial assets measured at fair value through profit or loss

		December 31, 2021	**December 31, 2020**
Financial assets measured at fair value through profit or loss:			
Stocks listed on domestic markets	$	252,646	236,590
Stocks unlisted on domestic markets		68,687	68,687
Valuation adjustment		389,628	194,613
Total	**$**	**710,961**	**499,890**

For the years ended December 31, 2021 and 2020, the Group recognized dividend income from the above financial assets measured at fair value through profit or loss of $12,273 thousand and $1,564 thousand, respectively.

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(c) Notes and accounts receivable, net

	December 31, 2021	December 31, 2020
Notes receivable－unrelated parties	$ 1,016	7,383
Accounts receivable－unrelated parties	3,145,313	7,402,904
Accounts receivable－related parties	107	-
Less: Loss allowance	248,569	265,225
Total	$ 2,897,867	7,145,062

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions in respect of all receivables with a credit rating of A were determined as follows:

	December 31, 2021		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	$ 2,730,856		-
1 to 60 days past due	130,758	1%	1,308
61 to 120 days past due	1,909	1%	19
121 to 365 days past due	36,031	1%	360
More than one year past due	246,882	100%	246,882
	$ 3,146,436		248,569

	December 31, 2020		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	$ 6,920,190		-
1 to 60 days past due	144,116	1%	1,441
61 to 120 days past due	28,942	1%	290
121 to 365 days past due	21,326	1%	213
More than one year past due	249,113	100%	249,113
	$ 7,363,687		251,057

The loss allowance provisions in respect of all receivables with a credit rating of B were determined as follows:

	December 31, 2020			
	Gross carrying amount		Weighted-average expected credit loss rate	Loss allowance provision
Current	$	19,300		-
121 to 365 days past due		27,300	52%	14,168
	$	46,600		14,168

For the year ended December 31, 2021, the Group did not have receivables with a credit rating of B.

The movement in the allowance for notes and accounts receivable were as follows:

		2021	2020
Balance at January 1	$	265,225	270,370
Gain on reversal of impairment loss recognized		(15,303)	(10,910)
Receivables collected		-	2,863
Foreign exchange losses / (gains)		(1,353)	2,902
Balance at December 31	$	248,569	265,225

The Group recognized the allowance for notes and accounts receivable based on the nature of the industry, historical payment behavior and the credit rating of customers.

The Group did not provide any notes and accounts receivable as collaterals.

(d) Inventories

	December 31, 2021			
	Cost		Allowance for Impairment	Carrying Amount
Raw materials	$	53,450	(5,895)	47,555
Work in progress		24,405	(22,626)	1,779
Finished goods		16,594	(9,557)	7,037
Merchandise		8,003	(5,941)	2,062
Total	$	102,452	(44,019)	58,433

	December 31, 2020			
	Cost		Allowance for Impairment	Carrying Amount
Raw materials	$	41,111	(2,995)	38,116
Work in progress		22,093	(20,608)	1,485
Finished goods		16,866	(9,058)	7,808
Merchandise		10,855	(6,805)	4,050
Total	$	90,925	(39,466)	51,459

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The reversal (losses) of inventory write-down to net realizable value amounted to ($4,553) thousand and $5,018 thousand, respectively, for the years ended December 31, 2021, and 2020.

In addition, the loss on inventory disposal amounted to $0 thousand and $5,570 thousand, respectively, for the years ended December 31, 2021, and 2020. These changes are recognized as adding or subtracting the cost of goods sold.

The Group did not provide any inventories as collaterals.

(e) Prepayments

		December 31, 2021	December 31, 2020
Domestic purchase of materials	$	266,250	146,018
Foreign purchase of materials		888,494	489,554
Prepaid project subcontractor cost		52,093	40,862
Prepaid insurance expense		90,075	15,998
Others		55,789	97,489
Total	**$**	**1,352,701**	**789,921**

(f) Non-current financial assets measured at fair value through profit or loss

		December 31, 2021	December 31, 2020
Financial assets measured at fair value through profit or loss:			
Stocks unlisted on domestic markets	$	31,544	34,795
Valuation adjustments		(28,015)	(27,990)
Total	**$**	**3,529**	**6,805**

(g) Non-current financial assets measured at fair value through other comprehensive income

		December 31, 2021	December 31, 2020
Equity instruments measured at fair value through other comprehensive income			
Unlisted stocks (overseas)	$	1,008,212	1,008,212
Valuation adjustment		1,017,924	950,506
Total	**$**	**2,026,136**	**1,958,718**

(i) The equity instrument investment of the Group is a long-term strategic investment and is not held for trading, which has been designated as measured at fair value through other comprehensive income. In September 2020, the equity instrument investments declared dividends amounting to $42,133 thousand and be claimed in December 2020. There was no such situation for the year ended December 31, 2021.

(ii) The changes in valuation adjustment of financial assets measured at fair value through other comprehensive income were as follows:

		2021	2020
Balance at January 1	$	950,506	1,043,567
Add: Changes for the period		67,418	(93,061)
Balance at December 31	$	1,017,924	950,506

(h) Investments accounted for using equity method

(i) Affiliate which was material to the Group consisted of the followings:

Name of Affiliate	Nature of Relationship with the Group	Main operating location/Registered Country of the Company	Proportion of shareholding and voting rights	
			December 31, 2021	December 31, 2020
Ablerex electronics co., Ltd.	Selling and Manufacturing of UPS	Taiwan	33.30%	33.30%

The fair value of the investment in associates which are publicly traded was as follows:

		December 31, 2021	December 31, 2020
Ablerex electronics co., Ltd.	$	589,719	590,468

A summary of the consolidated financial information of significant associates was as follows:

		December 31, 2021	December 31, 2020
Current assets	$	2,406,092	2,003,389
Non-current assets		972,575	963,721
Current liabilities		(1,751,250)	(1,351,435)
Non-current liabilities		(120,431)	(134,423)
Net assets	$	1,506,986	1,481,252
Net assets attributable to non-controlling interests	$	13,878	13,538
Net assets attributable to investee	$	1,493,108	1,467,714

		2021	2020
Operating revenue	$	2,984,677	2,361,923
Net income from continuing operations	$	76,511	44,370
Other comprehensive income		(5,778)	481
Total comprehensive income	$	70,733	44,851
Total comprehensive income attributable to non-controlling interests	$	339	876
Total comprehensive income attributable to investee	$	70,394	43,975

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

		2021	2020
Share of net assets of associate attributable to the Group as of January 1	$	490,473	490,820
Total comprehensive income attributable to the Group		23,444	14,645
Adjustments for using equity method		-	(6)
Dividends from associate		(14,987)	(14,986)
Share of net assets of associate attributable to the Group as of December 31		498,930	490,473
Add: Goodwill		116	116
Ending balance of net assets of associate attributable to the Group	$	499,046	490,589

(ii) Insignificant associates

The Group's financial information for investments accounted for using the equity method that are individually insignificant were as follows:

		December 31, 2021	December 31, 2020
Carrying amount of individually insignificant associates' equity	$	375,821	358,556

		2021	2020
Attributable to the Group:			
Income from continuing operations	$	43,900	36,906
Other comprehensive income		(1,172)	1,213
Total comprehensive income	$	42,728	38,119

In 2021 and 2020, the preparation of the financial statements for the investee companies under the equity method was evaluated based on the auditors' reports of the investee companies. For the years ended December 31, 2021 and 2020, the share of profit of associations accounted for using equity method amounted to $69,168 thousand and $51,446 thousand, respectively.

(iii) Guarantee

The Group did not provide any investment accounted for using equity method as collaterals.

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Notes to the Consolidated Financial Statements

(i) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2021 and 2020, were as follows:

	Land	Buildings	Machinery	Plant equipment	Transportation Equipment	Office equipment	Leasehold Improvements	Total
Cost or deemed cost:								
Balance at January 1, 2021	$ 402,782	389,844	70,800	156,387	12,081	71,317	2,076	1,105,287
Additions	318,269	132,733	81	6,302	3,880	2,075	-	463,340
Disposal	-	-	(1,713)	-	(859)	(455)	-	(3,027)
Reclassification	61,876	42,729	-	-	-	-	-	104,605
Effect of movements in exchange rates	(190)	(3,165)	(200)	-	(27)	(139)	-	(3,721)
Balance at December 31, 2021	$ 782,737	562,141	68,968	162,689	15,075	72,798	2,076	1,666,484
Balance at January 1, 2020	$ 398,537	363,925	79,002	156,835	12,162	68,239	2,076	1,080,776
Additions	6,197	24,789	1,391	-	663	6,060	-	39,100
Disposals	(1,725)	(3,003)	(9,987)	(448)	(798)	(3,253)	-	(19,214)
Effect of movements in exchange rates	(227)	4,133	394	-	54	271	-	4,625
Balance at December 31, 2020	$ 402,782	389,844	70,800	156,387	12,081	71,317	2,076	1,105,287
Accumulated depreciation and impairment loss:								
Balance at January 1, 2021	$ 1,160	131,715	65,329	47,237	8,323	58,656	2,049	314,469
Depreciation	-	17,405	1,203	4,517	1,400	3,284	27	27,836
Disposal	-	-	(1,674)	-	(858)	(430)	-	(2,962)
Effect of movements in exchange rates	-	(767)	(189)	-	(26)	(94)	-	(1,076)
Balance at December 31, 2021	$ 1,160	148,353	64,669	51,754	8,839	61,416	2,076	338,267
Balance at January 1, 2020	$ 1,160	117,976	72,987	43,471	7,628	57,449	1,973	302,644
Depreciation	-	13,357	1,309	4,170	1,408	4,183	76	24,503
Disposal	-	(1,257)	(9,350)	(404)	(742)	(3,218)	-	(14,971)
Effect of movements in exchange rates	-	1,639	383	-	29	242	-	2,293
Balance at December 31, 2020	$ 1,160	131,715	65,329	47,237	8,323	58,656	2,049	314,469
Carrying amounts:								
Balance at December 31, 2021	$ 781,577	413,788	4,299	110,935	6,236	11,382	-	1,328,217
Balance at January 1, 2020	$ 397,377	245,949	6,015	113,364	4,534	10,790	103	778,132
Balance at December 31, 2020	$ 401,622	258,129	5,471	109,150	3,758	12,661	27	790,818

The property, plant and equipment of the Group had not been pledged as collaterals.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(j) Right-of-use assets

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

		Land	Buildings	Office equipment	Total
Cost:					
Balance at January 1, 2021	$	173,941	51,635	505	226,081
Additions		-	135,598	123	135,721
Write-off		-	(4,658)	(63)	(4,721)
Effect of movements in exchange rates		(257)	(1,257)	(2)	(1,516)
Balance at December 31, 2021	$	173,684	181,318	563	355,565
Balance at January 1, 2020	$	32,059	41,571	1,285	74,915
Additions		141,343	19,665	1,476	162,484
Write-off		-	(9,665)	(2,260)	(11,925)
Effect of movements in exchange rates		539	64	4	607
Balance at December 31, 2020	$	173,941	51,635	505	226,081
Accumulated depreciation:					
Balance at January 1, 2021	$	3,808	29,672	278	33,758
Depreciation		7,376	34,112	228	41,716
Write-off		-	(4,658)	(63)	(4,721)
Effect of movements in exchange rates		(13)	(272)	(2)	(287)
Balance at December 31, 2021	$	11,171	58,854	441	70,466
Balance at January 1, 2020	$	795	14,123	554	15,472
Depreciation		2,983	20,461	766	24,210
Write-off		-	(5,038)	(1,046)	(6,084)
Effect of movements in exchange rates		30	126	4	160
Balance at December 31, 2020	$	3,808	29,672	278	33,758
Carrying amount:					
Balance at December 31, 2021	$	162,513	122,464	122	285,099
Balance at January 1, 2020	$	31,264	27,448	731	59,443
Balance at December 31, 2020	$	170,133	21,963	227	192,323

The Group and Exeter 100 West Pinnacle Peak, LLC entered into a warehouse lease agreement in August 2021, with a contract term of 3 years and a total rental price of US$ 3,678 thousand. According to the transaction, the Group initially recognized both US$ 3,253 thousand (NT$ 90,042 thousand) of the right-of-use asset and lease liabilities.

On September 9, 2020, the Group entered into a land lease for solar energy installment with Jindun Village Forestry Cooperative of Changhua County. The construction period (from the notarization date to finish the construction) is 18 months, with an annual rental of $400 thousand for the first year. The monthly rental was $80 thousand starting from the second year. An application for an 18-month extension shall be approved by the lessor when 18 months of construction is mature, and the monthly rental is $160 thousand starting from the 31st month. Furthermore, the annual rental was $8400 thousand, as well as the land value tax born by the lessee for a period of 20 years from the date of completion of the construction. According to the above transactions, the Group initially recognized both $141,343 thousand of right-to-use assets and the lease liabilities.

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(k) Intangible assets

The cost and amortization of the intangible assets of the Group for the years ended December 31, 2021 and 2020 were as follows:

		Computer software
Costs:		
Balance at January 1, 2021	$	11,783
Additions		19,800
Effecst of changes in exchange rate		(9)
Balance at December 31, 2021	$	31,574
Balance at January 1, 2020	$	10,327
Additions		1,456
Balance at December 31, 2020	$	11,783
Accumulated amortization:		
Balance at January 1, 2021	$	8,430
Amortization		1,048
Balance at December 31, 2021	$	9,478
Balance at January 1, 2020	$	7,622
Amortization		808
Balance at December 31, 2020	$	8,430
Carrying value:		
Balance at December 31, 2021	$	22,096
Balance at January 1, 2020	$	2,705
Balance at December 31, 2020	$	3,353

For the years ended December 31, 2021 and 2020, the amortization expense amounted to $1,048 thousand and $808 thousand, respectively. These expenses were included in operating costs and operating expenses in the consolidated statements of comprehensive income.

(l) Other current assets and non-current assets

(i) The other current assets of the Group were as follows:

		December 31, 2021	December 31, 2020
Other financial assets	$	3,442,594	3,510,823
Construction guarantee deposits paid		3,910	10,286
Temporary payment		9,836	21,801
Others		174,694	174,984
Total	$	3,631,034	3,717,894

Other financial assets were time deposits with a maturity of three to twelve months.

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) The other non-current assets of the Group were as follows:

	December 31, 2021	December 31, 2020
Other financial assets	$ 32,338	850
Guarantee deposits paid	28,085	21,986
Prepayments of equipment for construction project	2,088	1,049
Prepayments for land and buildings	-	104,608
Others	1,969	2,035
Total	$ 64,480	130,528

Other financial assets were mainly time deposits with a maturity of more than twelve months and bank deposits with restricted pay holders. The prepayments for land and buildings were the prepayments of the purchase price of properties, deed tax, stamp tax, fees, and other prepayments related to the properties as a headquarters in 2020.

(m) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2021	December 31, 2020
Range of interest rates (%)	-	-
Unused short-term credit lines	$ 21,039,440	7,683,833

(n) Current provisions

	Warranty
Balance at January 1, 2021	$ 19,408
Provisions made during the year	9,339
Provisions used during the year	(16,935)
Balance at December 31, 2021	$ 11,812
Balance at January 1, 2020	$ 16,743
Provisions made during the year	11,218
Provisions used during the year	(8,553)
Balance at December 31, 2020	$ 19,408

The Group determined provisions for warranty based on 0.1% of the value of the construction contracts completed within one year. The provisions for warranty were deducted as incurred, otherwise, it was recognized as an expense for current period if there was a deficiency.

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(o) Other current liabilities and other non-current liabilities

The other current liabilities of the Group were as follows:

	December 31, 2021	December 31, 2020
Receipts under custody	$ 1,607	1,881
Other payables	56,676	54,627
Accrued expenses	796,004	899,731
Other current liabilities	7,246	5,298
Total	**$ 861,533**	**961,537**

The other non-current liabilities of the Group were as follows:

	December 31, 2021	December 31, 2020
Guarantee deposit received	$ 31,275	12,182
Dividends payable	251,275	253,184
Total	**$ 282,550**	**265,366**

(p) Lease liabilities

The Group's lease liabilities were as follow:

	December 31, 2021	December 31, 2020
Current	$ 58,679	14,568
Non-current	$ 211,167	149,400

For the maturity analysis, please refer to note 6(x).

The amounts recognized in profit or loss were as follows:

	2021	2020
Interest on lease liabilities	$ 5,281	1,188
Expenses relating to short-term leases	$ 22,663	26,816

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

	2021	2020
Total cash outflow for leases	$ 56,755	49,070

(i) Real estate leases

The Group leases land and buildings for its office space and plant. The leases of office space and plant typically run for a period of 1 to 3 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract-term.

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Some leases provide for additional rent payments that are based on changes in local price indices. Some also require the Group to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

Some leases of office buildings contain extension or cancellation options. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Group leases equipment, with lease terms of 1 to 3 years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Group also leases buildings and equipments. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(q) Employee benefits

(i) Defined benefit plans

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

	December 31, 2021	December 31, 2020
Present value of the defined benefit obligations	$ (420,853)	(435,658)
Fair value of plan assets	244,108	108,676
Net defined benefit liabilities	**$ (176,745)**	**(326,982)**

The Group's employee benefit liabilities were as follows:

	December 31, 2021	December 31, 2020
Short-term compensated absence liabilities (Other current liabilities)	**$ 25,659**	**24,537**

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

1) Composition of plan assets

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

The Group's Bank of Taiwan labor pension reserve account balance amounted to $244,108 thousand at the end of the reporting period. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

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

		2021	2020
Defined benefit obligations at January 1	$	435,658	393,352
Current service costs and interest cost		3,247	6,045
Remeasurements of the net defined benefit liabilities			
－Actuarial (gain) loss arising from changes in financial assumptions		(3,925)	42,080
－Actuarial gain arising from experience adjustments		(11,496)	(3,000)
Benefits paid		(2,631)	(2,819)
Defined benefit obligations at December 31	**$**	**420,853**	**435,658**

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

3) Movements in defined benefit plan assets

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

		2021	2020
Fair value of plan assets at January 1	$	108,676	104,400
Interest income		389	2,377
Remeasurements of the net defined benefit liabilities			
－Return on plan assets excluding interest income		1,967	1,801
Contributions		135,707	2,917
Benefits paid		(2,631)	(2,819)
Fair value of plan assets at December 31	$	244,108	108,676

4) Expenses recognized in profit or loss

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

		2021	2020
Current service costs	$	1,709	1,718
Net interest of net liabilities for defined benefit obligations		1,149	1,950
	$	2,858	3,668

		2021	2020
Operating costs	$	2,373	3,046
Operating expenses		485	622
	$	2,858	3,668

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

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

		2021	2020
Accumulated amount at January 1	$	141,548	104,269
Recognized during the period		(17,388)	37,279
Accumulated amount at December 31	$	124,160	141,548

6) Actuarial assumptions

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

	December 31, 2021	**December 31, 2020**
Discount rate	0.47%	0.35%
Future salary increases rate	2.00%	2.00%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $2,795 thousand.

The weighted average lifetime of the defined benefit plans is 8.08 years.

7) Sensitivity analysis

As of December 31, 2021 and 2020, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligations shall be as follows:

	The impact of defined benefit obligations	
	Increase	**Decrease**
December 31, 2021		
Discount rate (0.50%)	$ (16,326)	16,223
Future salary increase rate (0.25%)	8,273	(8,073)
December 31, 2020		
Discount rate (0.50%)	(17,757)	13,217
Future salary increase rate (0.25%)	9,006	(8,779)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2021 and 2020.

(ii) Defined contribution plans

The Company, Hanxuan Energy Co., Ltd., and Hunter Energy Co., Ltd. allocate 6% of each employee’s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The subsidiary in the United States, UNITED INTEGRATED SERVICES (USA) CORP., allocates a specific ratio of local employees’ monthly wages to pension management institutions in accordance with the 401(k) plan. Under these defined contribution plans, the Company allocates a pension to the Bureau of Labor Insurance and related pension management institutions without additional legal or constructive obligation.

(Continued)

The cost of the pension contributions to the Bureau of Labor Insurance or related pension management institutions for the years ended December 31, 2021 and 2020 amounted to $33,574 thousand and $31,251 thousand, respectively.

(r) Income taxes

(i) Income tax expenses

The components of income tax of the Group in the years 2021 and 2020 were as follows:

		2021	2020
Current tax expense			
Current period	$	747,224	1,007,342
Adjustment for prior periods		(8,454)	(6,695)
		738,770	1,000,647
Deferred tax benefit			
Origination and reversal of temporary differences		(3,938)	(10,177)
Income tax expense	$	734,832	990,470

There was no income tax expense recognized in equity for the years ended December 31, 2021 and 2020.

The amount of income tax expense (benefit) recognized directly in other comprehensive income for the years ended December 31, 2021 and 2020 were as follows:

		2021	2020
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans	$	(3,478)	7,456
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation		3,635	(1,974)
	$	157	5,482

Reconciliation of the Group's income tax expense and net income before tax for 2021 and 2020 was as follows:

		2021	2020
Net income before tax	$	3,555,314	5,081,802
Income tax using the Company's domestic tax rate	$	711,063	1,016,360
Effect of tax rates in foreign jurisdiction		69,922	38,032
Tax- exempt income		(2,455)	(313)
Permanent differences		(50,353)	(56,914)
5% income surtax on undistributed earnings		15,109	-
Income tax adjustments for prior periods		(8,454)	(6,695)
Total	$	734,832	990,470

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2021	December 31, 2020
The court adjudged to pay the payment and related interest expenses	$ 34,556	33,296

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2021 and 2020 were as follows:

Deferred tax liabilities:

	Foreign investment income
Balance at January 1, 2021	$ 95,643
Recognized in profit or loss	12,644
Balance at December 31, 2021	$ 108,287
Balance at January 1, 2020	$ 102,607
Recognized in profit or loss	(6,964)
Balance at December 31, 2020	$ 95,643

Deferred Tax Assets:

	Defined benefit plans	Unrealized warranty	Loss allowance exceeded the limit	Allowance for inventory valuation	Foreign investment loss	Others	Total
Balance at January 1, 2021	$ 36,902	6,356	4,778	7,893	44,032	65,118	165,079
Recognized in profit or loss	-	(1,519)	8,136	911	4,515	4,539	16,582
Recognized in other comprehensive income	(3,478)	-	-	-	-	3,635	157
Effects of changes in exchange rate	-	-	-	-	-	(113)	(113)
Balance at December 31, 2021	$ 33,424	4,837	12,914	8,804	48,547	73,179	181,705
Balance at January 1, 2020	$ 29,446	5,823	12,779	8,897	36,609	62,830	156,384
Recognized in profit or loss	-	533	(8,001)	(1,004)	7,423	4,262	3,213
Recognized in other	7,456	-	-	-	-	(1,974)	5,482
Balance at December 31, 2020	$ 36,902	6,356	4,778	7,893	44,032	65,118	165,079

(iii) Assessment of tax

The Company's tax returns for the years through 2019 were assessed by the tax authorities.

(s) Capital and other equity

(i) Common Stock

As of December 31, 2021 and 2020, the Company's authorized capital both amounted to $3,000,000 thousand with par value of $10 per share. The Company's issued capital both amounted to $1,905,867 thousand at December 31, 2021 and 2020.

(ii) Capital surplus

The balances of capital surplus were as follows:

		December 31, 2021	December 31, 2020
Capital surplus - premium from merger	$	6,938	6,938
Share premium		49,987	49,987
Convertible bond premium		215,672	215,672
Treasury share transactions		77,158	77,158
Others		27,705	18,389
	$	377,460	368,144

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

According to the Company's Article of Incorporation, if the Company has retained earnings according to its annual accounts, it may, after paying all taxes, and making up all past losses, set aside a 10% legal reserve, and a special reserve, if necessary, pursuant to laws, unless the reserve as allocated has equaled the Company's paid-in capital. The remainder, if any, shall be provided as or reversed from special reserve pursuant to laws. The balance, if any, shall be included into the unappropriated accumulated earnings for prior years and allocated as bonuses and dividends to shareholders based on the motion for allocation of earnings proposed by the Board of Directors, then resolved by a shareholders' meeting.

Where the earnings referred in the preceding paragraph are intended to be allocated in cash, the Board of Directors is authorized to allocate the same per special resolution and report it to the shareholders' meeting.

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The Company's dividend policy is based on current and future development plans, considering the investment environment, capital needs, domestic and international competition, taking into account the interests of shareholders and other factors, in order to stabilize business development and protect investors' rights and interests. The dividends to shareholders can be in the form of cash dividend and/or stock dividend; also, the cash dividend is not less than 25% of the total dividend.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by the shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Earnings distribution

For the appropriations of earnings for 2020 and 2019, the amounts of cash dividends to be distributed were $17 and $13 per share in 2021 and 2020, respectively. The related information would be available at the Market Observation Post System website.

(iv) Other equity, net of tax

		Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2021	$	(102,652)	950,506	847,854
Exchange differences on foreign operations		(18,350)	-	(18,350)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	67,418	67,418
Balance at December 31, 2021	$	(121,002)	1,017,924	896,922
Balance at January 1, 2020	$	(111,603)	1,043,567	931,964
Exchange differences on foreign operations		8,951	-	8,951
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	(93,061)	(93,061)
Balance at December 31, 2020	$	(102,652)	950,506	847,854

(t) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the years ended December 31, 2021 and 2020 were as follows:

(i) Basic earnings per share

		2021	2020
Net income attributable to ordinary shareholders of the Company	$	2,769,475	4,033,304
Weighted average number of ordinary shares		190,587	190,587
Basic earnings per share (in NT dollars)	$	14.53	21.16

ii) Diluted earnings per share

	2021	2020
Net income attributable to ordinary shareholders of the Company (diluted)	$ 2,769,475	4,033,304
Weighted average number of ordinary shares (basic)	190,587	190,587
Effect of potentially dilutive ordinary shares:		
Effect of employee bonuses	2,247	3,074
Weighted average number of ordinary shares (diluted)	192,834	193,661
Diluted earnings per share (in NT dollars)	$ 14.36	20.83

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	2021	2020
Primary geographic markets:		
Taiwan	$ 22,680,457	33,667,653
Mainland China	2,848,002	2,163,789
Singapore	(1,193)	5,200
USA	78,875	-
	$ 25,606,141	35,836,642
Major products/services lines:		
Integrated engineering service	$ 25,401,497	35,630,541
Service and design	88,262	82,234
Sales	116,382	123,867
	$ 25,606,141	35,836,642
Type of contract:		
Fixed price contract	$ 25,489,759	35,712,775
Material-based contract	116,382	123,867
	$ 25,606,141	35,836,642

(ii) Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable	$ 3,145,420	7,402,904	5,056,402
Less: allowance for impairment	248,569	265,225	270,370
Total	$ 2,896,851	7,137,679	4,786,032
Contract assets-Construction in Progress	$ 3,389,495	2,246,005	1,680,082

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		December 31, 2021	December 31, 2020	January 1, 2020
Contract liabilities-Construction in Progress	$	7,190,568	7,263,159	6,511,321
Contract liabilities-Merchandise inventory		1,272	2,884	4,064
Total	$	7,191,840	7,266,043	6,515,385

For details on accounts receivable and allowance for impairment, please refer to note 6(c).

The revenue recognized for the years ended December 31, 2021 and 2020 that were included in the contract liabilities balance of sale the merchandise at the beginning of the period were $103 thousand and $398 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. Other significant changes during the period were as follows:

		2021		2020	
		Contract assets	Contract liabilities	Contract assets	Contract liabilities
Stage of completion measurement	$	-	-	-	-
Contract modification	$	903,659	600,658	44,351	994,199

(v) Employee compensation and directors' remuneration

In accordance with the articles of incorporation the Company should contribute 6% to 10% of the profit as employee compensation and less than 2% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's controlled or affiliated companies who meet certain conditions.

For the years ended December 31, 2021 and 2020, the Company estimated its employee remuneration amounting to $378,000 thousand and $524,000 thousand, and directors' remuneration amounting to $32,400 thousand and $47,000 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under expenses during 2021 and 2020. Related information would be available at the Market Observation Post System website. The amounts, as stated in 2020 consolidated financial statements, are identical to those of the actual distributions in 2021 shareholders' meeting.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

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(w) Non-operating income and expenses

(i) Interest income

The details of the Group's interest income were as follows:

	2021	2020
Interest income from bank deposits	$ 96,436	104,428

(ii) Other income

The details of the Group's other income were as follows:

	2021	2020
Rental income	$ 29,673	31,916
Dividend income	12,273	43,697
Other income－other subtotal	25,462	15,033
Total	$ 67,408	90,646

iii) Other gains and losses

The details of the Group's other gains and losses were as follows:

	2021	2020
Gains on disposal of property, plant and equipment	$ 15	2,705
Gain on disposal of investments	31,382	-
Foreign exchange losses	(29,824)	(62,965)
Gains on financial assets at fair value through profit or loss	194,990	285,777
Other gains and losses	(2,100)	(3,281)
Total	$ 194,463	222,236

iv) Interest expense

The details of the Group's interest expense were as follows:

	2021	2020
Interest expense of－Dentsu Engineering	$ 6,299	6,298
Others	5,523	1,302
Total	$ 11,822	7,600

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(x) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of December 31, 2021 and 2020, the amounts of the maximum exposure to credit risk were $13,327,674 thousand and $19,190,574 thousand, respectively.

The Group assesses the financial condition of its customers continuously to reduce the credit risk of accounts receivable and requires its customers to provide guarantees and collateral if it is necessary. The Group monitors and reviews the recoverable amount of the accounts receivable to ensure the uncollectible amount are recognized appropriately as impairment loss. Therefore, the expected credit losses are in the expectation of the Group.

2) Concentration of credit risk

When the transaction of financial instruments is concentrated in a single industry or region, the ability to oblige the contract would be impacted by similar factors, thereby causing concentration of credit risk. As of December 31, 2021 and 2020, notes and accounts receivable concentrated on few counter-parties were as follows:

	December 31, 2021		
Name of client	**Carrying amount**	**the maximum exposure to credit risk**	**%**
Taiwan Semiconductor Manufacturing Co., Ltd.	$ 1,641,189	1,641,189	56.63
Micron Technology Taiwan Co., Ltd.	252,537	252,537	8.72
Total	**$ 1,893,726**	**1,893,726**	**65.35**

	December 31, 2020		
Name of client	**Carrying amount**	**the maximum exposure to credit risk**	**%**
Micron Memory Taiwan Co., Ltd.	$ 5,300,959	5,300,959	74.19
Taiwan Semiconductor Manufacturing Co., Ltd.	804,430	804,430	11.26
Total	**$ 6,105,389**	**6,105,389**	**85.45**

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(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2021							
Non-derivative financial liabilities							
Notes payable	$ 64,094	64,094	64,094	-	-	-	-
Accounts payable	4,656,473	4,656,473	2,679,374	62,072	192,272	1,597,210	125,545
Accrued expenses (Note)	772,778	772,778	772,778	-	-	-	-
Lease liabilities	269,846	304,812	33,786	33,323	60,862	49,441	127,400
Guarantee deposits received	31,275	31,275	2,721	-	1,445	27,109	-
	$ 5,794,466	5,829,432	3,552,753	95,395	254,579	1,673,760	252,945
December 31, 2020							
Non-derivative financial liabilities							
Notes payable	$ 68,613	68,613	68,613	-	-	-	-
Accounts payable	7,055,375	7,055,375	4,763,295	44,184	207,457	1,602,049	438,390
Accrued expenses (Note)	873,804	873,804	873,804	-	-	-	-
Lease liabilities	163,968	191,321	9,995	4,841	12,488	28,197	135,800
Guarantee deposits received	12,182	12,182	2,536	2,144	1,689	3,800	2,013
	$ 8,173,942	8,201,295	5,718,243	51,169	221,634	1,634,046	576,203

Note: Other current liabilities

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk were as follows:

	December 31, 2021			December 31, 2020		
	Foreign currency	Exchange rate (dollars)	TWD	Foreign currency	Exchange rate (dollars)	TWD
Financial assets						
Monetary items						
USD	$ 11,492	27.68	318,107	57,641	28.48	1,641,616
CNY	413,157	4.34	1,794,756	377,186	4.38	1,650,943
SGD	2	20.46	45	65	21.56	1,401
Non-monetary items						
Financial assets measured at fair value through other comprehensive income	466,422	4.34	2,026,136	447,503	4.38	1,958,718
Finance liabilities						
Monetary items						
USD	8,651	27.68	239,450	14,081	28.48	401,027
EUR	65	31.32	2,051	1,466	35.02	51,339
JPY	416	0.24	100	8,375	0.28	2,312
CNY	912	4.34	3,962	917	4.38	4,014
SGD	-	-	-	339	21.56	7,309

(Continued)

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value through other comprehensive income, accounts payable and other payables that are denominated in foreign currency. A (weakening) strengthening of 1% of the NTD against the USD, EUR, CNY, SGD and JPY, the Group's net income before tax would have increased (decreased) by $14,939 thousand and $22,624 thousand, and other comprehensive income would have increased (decreased) by $16,209 thousand and $15,670 thousand, for the years ended December 31, 2021 and 2020, respectively. The analysis was performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2021 and 2020, foreign exchange loss (including realized and unrealized portions) amounted to $29,824 thousand and $62,965 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

If the interest rate had increased/decreased by 0.25%, the Group's net income would have increased/decreased by $20,783 thousand and $24,005 thousand for the years ended December 31, 2021 and 2020, respectively, with all other variable factors remaining constant.

(v) Fair value of financial instruments

1) Fair value hierarchy

To provide disclosure information, the Group classifies the measurement of fair value based on fair value hierarchy which reflects the significance of the inputs during the measurement. The Group categorizes fair value into the following levels:

a) Level 1

Level 1 inputs are quoted prices in active markets for identical financial instruments. An active market is a market in which all the following conditions exist:

i) The items traded within the market are homogeneous.

ii) Willing buyers and sellers can normally be found at any time.

iii) Prices are available to the public.

b) Level 2

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e. derived from prices).

c) Level 3

Level 3 inputs are valuation parameters which are not based on the information available in the market or the quoted price from the counter party. For example, historical volatility used in option pricing models is an unobservable input since it cannot represents the expected value of future volatility of the entire market participants.

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required:

	December 31, 2021				
	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 714,490	596,339	114,622	3,529	714,490
Financial assets at fair value through other comprehensive income					
Unquoted equity instrument measured at fair value	2,026,136	-	-	2,026,136	2,026,136
Total	$ 2,740,626	596,339	114,622	2,029,665	2,740,626

	December 31, 2020				
	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 506,695	421,880	78,010	6,805	506,695
Financial assets at fair value through other comprehensive income					
Unquoted equity instrument measured at fair value	1,958,718	-	-	1,958,718	1,958,718
Total	$ 2,465,413	421,880	78,010	1,965,523	2,465,413

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2) Transfer between Level 1 and Level 2

There were no transfers from Level 1 to Level 2 for the years ended December 31, 2021 and 2020.

3) Reconciliation of Level 3 fair values

	Fair value through profit or loss	Fair value through other comprehensive income	
	Designated at fair value through profit or loss	**Unquoted equity instruments**	**Total**
Balance at January 1, 2021	$ 6,805	1,958,718	1,965,523
Total gains and losses			
In profit or loss	(25)	-	(25)
In other comprehensive income	-	67,418	67,418
Cash capital reduction	(3,251)	-	(3,251)
Balance at December 31, 2021	$ 3,529	2,026,136	2,029,665
Balance at January 1, 2020	$ 6,347	2,051,779	2,058,126
Total gains and losses			
In profit or loss	458	-	458
In other comprehensive income	-	(93,061)	(93,061)
Balance at December 31, 2020	$ 6,805	1,958,718	1,965,523

Total gains and losses were recognized in "other gains and losses" and "unrealized gains and losses from financial assets at fair value through other comprehensive income".

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss－equity investments" and "financial assets measured at fair value through other comprehensive income - equity investments".

The equity investments which are lack of active market and categorized into Level 3 have numerous significant unobservable inputs. The significant unobservable inputs of equity investments without active market are independent between each other. Hence, there is no correlation between each significant unobservable input.

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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss－equity investments without an active market	Comparable Company	• Price Book Ratio (Note) • Discount for lack of marketability (Note)	• The higher the ratio, the higher the fair value • The higher the discount, the lower the fair value
Financial assets at fair value through profit or loss－equity investments without an active market	Net asset value method	• Discount for lack of marketability (Note) • Discount for control (Note)	• The higher the discount, the lower the fair value • The higher the controlling discount, the lower the fair value
Financial assets at fair value through other comprehensive income－equity investments without an active market	Comparable Company	• Price Book Ratio (December 31, 2021 and December 31, 2020 were 0.83 and 0.87) • Discount for lack of marketability (December 31, 2021 and December 31, 2020 were 19.66% and 28.82%)	• The higher the ratio, the higher the fair value • The higher the discount, the lower the fair value

Note: As of December 31, 2021 and 2020, the investees had been dissolved or liquidated, therefore, the fair value, without the application of parameters, was based on the liquidation value.

5) Fair value measurement in Level 3－sensitivity analysis of reasonably possible alternative assumptions

While under different models or using different parameters may lead to different results, fair value measurement for financial instruments is reasonable.

(Continued)

The following tables shows the valuation impacts changes in input parameters on Level 3 financial instruments:

	Input	Assumptions	Fair Value through Profit and Loss		Fair value through other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
December 31, 2021						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Discount for lack of marketability	10%	(Note)	(Note)	-	-
Equity investments without an active market	Discount for control	10%	(Note)	(Note)	-	-
Equity investments without an active market	Price Book Ratio	10%	(Note)	(Note)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Discount for lack of marketability	10%	-	-	49,582	(49,582)
Equity investments without an active market	Price Book Ratio	10%	-	-	202,614	(202,614)
December 31, 2020						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Discount for lack of marketability	10%	(Note)	(Note)	-	-
Equity investments without an active market	Discount for control	10%	(Note)	(Note)	-	-
Equity investments without an active market	Price Book Ratio	10%	(Note)	(Note)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Discount for lack of marketability	10%	-	-	79,306	(79,306)
Equity investments without an active market	Price Book Ratio	10%	-	-	195,872	(195,872)

Note: As of December 31, 2021 and 2020, the investees had been dissolved or were expected to be liquidated, therefore, the fair value, without the application of parameters, was based on the liquidation value.

6) Financial instruments not measured at fair value

a) Fair value information

The Group's financial instruments not measured at fair value include cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposits paid, notes and accounts payable, other payables, guarantee deposits received and part of other financial assets, whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required.

b) Valuation techniques

The Group's valuation methods and assumptions used for financial instruments not measured at fair value are as follows:

Since the maturity date is close and the future receipt and reimbursement price is similar to the book value, the fair value of cash and cash equivalents, notes and accounts receivable, other receivables, notes and accounts payable and other payables were measured at book value at the reporting date.

(y) Financial risk management

(i) Overview

The Group has exposures to the following risks arising from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks.

(ii) Structure of risk management

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

1) Notes and accounts receivable

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is required to conduct management and credit risk analysis for each of its new customers before the terms and conditions of the contract and delivery are set in accordance with the internal credit policy. The internal risk control system assesses the credit quality of customers by considering their financial status, past experiences and other factors. The main credit risk derives from cash and cash equivalents, deposits in banks and in financial institutions. Furthermore, credit risk may derive from customers, including unreceived receivables and committed transaction.

2) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2021 and 2020, no other guarantees were outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

As of December 31, 2021 and 2020, the Group's unused credit line were amounted to $21,039,440 thousand and $7,683,833 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, and optimizing the return.

1) Currency risk

The Group is a multinational institution and therefore exposes to currency risk deriving from many different currencies, mainly from USD and RMB. The relevant currency risk stems from future commercial transactions, recognized assets and liabilities, and net investments in foreign operating agencies.

2) Interest rate risk

The short-term loans of the Group are debts with floating interest rates. Therefore, changes in market interest rates will lead to changes in the interest rate of short-term loans, resulting in fluctuations of future cash flows.

3) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Group does not actively trade in these investments as the management of the Group minimizes the risk by holding different investment portfolios.

(z) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

(Continued)

The Group's strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry cycle and the life cycle of products, the Group determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products. The management of the Group periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. In general, the Group implements prudent strategy of risk management.

	December 31, 2021	December 31, 2020
Total liabilities	$ 13,983,194	16,897,049
Less: cash and cash equivalents	6,922,880	8,501,567
Net debt	$ 7,060,314	8,395,482
Total equity	$ 9,766,308	10,151,518
Debt-to-capital ratio	72.29%	82.70%

(aa) Cash flows information on acquisition of property, plant and equipment

The supplementary information on acquisition of property, plant and equipment of the Group were as follows:

	2021	2020
Increase in property, plant and equipment	$ 463,340	39,100
Cash payments	$ 463,340	39,100

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Wholetech System Hitech Limited	Investee accounted for using equity method
Ablerex Electronics Co., Ltd.	Investee accounted for using equity method
JG Environmental Technology Co., Ltd.	Investee accounted for using equity method
ECO Energy Corporation	Investee accounted for using equity method
AIRREX Co., Ltd. (Note)	Related party
FU-KUO ENGINEERING CO., Ltd.	Related party
Huayuan Engineering Co., Ltd.	Related party
Dentsu Engineering Co., Ltd.	Related party
Yun Hao Motor Technician Office	Related party
Sheng Yang Integration Co., Ltd.	Related party

(Continued)

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Name of related party	Relationship with the Group
All directors, supervisors, general managers and deputy general managers	Key management personnel
Wholetech System Hitech(s) Pte, Ltd.	An associate

Note: The company is not a related party to the Company since September 1, 2021.

(b) Significant transactions with related parties

(i) Operating revenue

The amounts of significant sales by the Group to related parties were as follows:

	2021	2020
Key management personnel	$ 16	-
Other related parties	3	12
	$ 19	12

There is no significant difference between the credit terms of the Group and of the same businesses.

(ii) Construction cost

The amounts of purchases by the Group from related parties were as follows:

	2021	2020
Associates	$ 201,893	295,767
Other related parties	129,898	159,403
	$ 331,791	455,170

There is no significant difference between the payment terms of the Group and of the same businesses.

(iii) Receivable from related parties

The details of the Group's receivable from related parties were as follows:

Account	Type of related parties	December 31, 2021	December 31, 2020
Accounts receivable	Associates	$ 107	-

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iv) Payables to Related Parties

The payables to related parties were as follows:

Account	Type of related parties	December 31, 2021	December 31, 2020
Notes payable	Other related parties	$ -	5,983
Accounts payable	Associates	56,421	192,481
Accounts payable	Other related parties	11,336	43,612
Other payables	Other related parties－Dentsu Engineering	172,780	166,481
		$ 240,537	408,557

Other payables mentioned above included package fee disbursements, salaries and interests, etc. Please refer note 12 (c) for further information.

(v) Leases

Name of related party	Object	Lease term	Rental income 2021	Rental income 2020
Associates	1F., No.1、3, Ln. 7, Baogao Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	2020.01.01~ 2022.05.31	$ 4,464	4,464
Associates	Parking Space	2020.01.01~ 2022.05.31	72	72
Other related parties	No.18, Aly. 2, Ln. 261, Xinghua Rd., Shanhua Dist., Tainan City 741, Taiwan (R.O.C.)	2017.08.01~ 2020.04.30	-	97
			$ 4,536	4,633

(vi) Finance costs

	2021	2020
Other related parties－Dentsu Engineering	$ 6,299	6,298

(vii) Other income

	2021	2020
Other related parties	$ -	61

(Continued)

(viii) Prepayments

The prepayments to related parties were as follows:

	December 31, 2021	December 31, 2020
Associates	$ 2,309	-

(ix) Property transactions

The purchases price of property, plant and equipment purchased from related parties were as follows:

	2021	2020
Key management personnel	$ 16,100	-

The Group acquired the land for Tainan Factory from key management personnel of the Company in July 2021. The land area is 1,490 square meters with a total price of $16,100 thousand. As of December 31, 2021, the ownership transfer procedure has been completed, and the purchase price has been paid. The land acquisition price was based on the asset evaluation report from Li Cyuan Real Estate Appraiser Firm. For further description of the property, plant, and equipment, please refer to note 6(i).

(c) Key management personnel compensation

	2021	2020
Short-term employee benefits	$ 140,079	207,242
Post-employment benefits	1,387	1,401
	$ 141,466	208,643

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2021	December 31, 2020
Restricted assets (other current assets)	Engineering performance bond	$ 850	850
Restricted assets (other current assets)	Migrant worker payroll account	31,488	-
		$ 32,338	850

(9) Commitments and contingencies

(a) As of December 31, 2021 and 2020, except for the disclosures of Note 7, the Group's commitments and contingencies were as follows:

(i) As of December 31, 2021 and 2020, guaranteed notes received from construction contractors for performance guarantees or maintenance guarantees amounted to $14,597,886 thousand and $12,033,762 thousand, respectively.

(ii) As of December 31, 2021 and 2020, guaranteed notes issued to construction contractors for performance guarantees or maintenance guarantees amounted to $15,102 thousand and $27,115 thousand, respectively.

(iii) As of December 31, 2021 and 2020, guaranteed notes issued for bank loans and letters of credits amounted to $3,000,000 thousand and $2,000,000 thousand, respectively.

(iv) As of December 31, 2021 and 2020, guaranteed letters offered by banks for contract performance guarantees amounted to $416,629 thousand and $453,139 thousand, respectively.

(v) As of December 31, 2021 and 2020, the total contract price of contracted construction projects amounted to $171,309,603 thousand and $120,224,145 thousand, respectively, and the contract payments received by the Group amounted to $98,578,064 thousand and $78,738,414 thousand, respectively.

(vi) As of December 31, 2021 and 2020, the total subcontract price of subcontracted construction projects amounted to $17,229,580 thousand and $14,845,499 thousand, respectively, and the contract payment paid by the Group amounted to $13,303,110 thousand and $12,118,963 thousand, respectively.

(vii) As of December 31, 2021 and 2020, the outstanding letters of credits issued by the Group for purchasing equipment amounted to $214,223 thousand and $196,240 thousand, respectively.

(viii) As of December 31, 2021 and 2020, guaranteed notes received from lessees for rental of buildings both mounted to $744 thousand and $1,073 thousand.

(b) Significant contracts

In the Board of Directors meeting on June 12, 2020, the Group decided to enter into a real estate purchase agreement to be used as its headquarters. The total value of contract including tax was $516,950 thousand. As of December 31, 2021, the Company had paid the full amount.

(10) Losses Due to Major Disasters: None.

(Continued)

(11) Subsequent Events

(a) In the Board of Directors meeting on March 8, 2022, the Company decided to purchase real estate in Tainan as its factory. The Chairman has the absolute discretion of property acquisition within the total amount of $590,660 thousand (excluding the value-added tax for the building).

(b) Under Article 28-2 of the Securities and Exchange Act, in the Board of Directors meeting on March 8, 2022, the Company is expected to repurchase 3,000 thousand ordinary shares of the Company between the price of $ 170 to $250 per share during March 9 and May 6, 2022, for providing incentives to retain talents. When the share price falls below the minimum price set for the repurchase, the Company will continue to repurchase shares until they reach the maximum amount of $750,000 thousand.

(12) Other

(a) A summary of current-period employee benefits, depreciation and amortization, by function, was as follows:

By function	2021			2020		
By nature	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	739,766	646,429	1,386,195	661,890	826,601	1,488,491
Labor and health insurance	38,971	37,599	76,570	26,507	37,205	63,712
Pension	18,494	17,938	36,432	14,528	20,391	34,919
Remuneration of directors	-	38,328	38,328	-	52,790	52,790
Others	45,664	25,030	70,694	31,963	23,140	55,103
Depreciation	31,920	37,632	69,552	19,055	29,658	48,713
Amortization	625	1,005	1,630	892	583	1,475

(b) Some of the Company's directors are involved in the adjudication process for violating the Securities and Exchange Act regulations and the effect on the Company's operation; please refer to the following information:

(i) The primary judgment contents

Director Chen, former director Wang and other involved parties were prosecuted by Taipei District Prosecutor's Office on June 5, 2002, as illegally transferred Company's fund more than $1.3 billion to Dentsu Engineering Co., Ltd. (Hereinafter referred to as Dentsu Corporation),Fuguo Engineering Co., Ltd., and Huayuan Engineering Co., Ltd, then transferred the fund to themselves. The primary judgment contents given by Taipei District Prosecutor's Office on August,31, 2015 (Finance Criminal Procedure Code No. 17 Act 2013) that the Court believed the defendants did not commit such crimes. However, the notes of the financial statements did not disclose that Dentsu Corporation shall be a relative party of the Company and paid expenses on behalf of the Company, therefore, the defendants were convicted guilty by the Court of providing false financial statements. The defendants all appealed against the conviction while the public prosecutor also filed an appeal against the acquittal part of the verdict; and due to the death of Mr. Wang, the former Chairman of the Company, the High Court (No. 104 Jin Shang Chung Su Tzu 40) declared a dismissal judgment for Mr. Wang on July 25, 2017 with respect to the charges of non-arm's length transactions, breach of trust, and

(Continued)

embezzlement. The High Court stated that there was no evidence prove that the defendants, other than Mr. Wang were guilty and the public prosecutor accepted the acquittal judgment without further appeal. As for the High Court's decision of guilty on the financial statement fraud, the sentences on two of the defendants were finalized because they were given probations and decided not to appeal; while the former Chairman Chen appealed to the Supreme Court, wherein the Supreme Court (No. 106 Tai Shang Tzu 3336), on July 25, 2018, reversed and remanded the case to the High Court whose further judgment (No. 107 Jun Shang Chung Geng Yi Tzu 8) on December 10, 2019 sentenced Mr. Chen guilty for misrepresented financial statements for certain years and guilty for violations of the Business Entity Accounting Act, as well as a five year probation; Chairman Chen filed an appeal while the SFIPC center also requested the prosecutor to appeal. The Supreme Court reversed and remanded the case to the High Court on July 17, 2020, whose further judgment (No. 109 Jun Shang Chung Geng Er Tzu 13) on May 13, 2020 sentenced two years' imprisonment and five-year probation for misrepresented financial statements for certain years. The former Chairman Chen has filed an appeal on June 11, 2022.

(ii) Impact on Operations

1) After the courts of the First, Second, and Last Instance investigation and trial, the defendants were not guilty of the charges of non-arm's length transactions, breach of trust, and embezzlement and vindicated themselves. The Company feels pleased but regrets the charges of misrepresenting the financial statements. The former Chairman Chen has appealed against the Second Instance. Therefore, the Company will await the court's decision to become finalized.

2) Since the occurrence of this case, the staff of the Company altogether have continued to stay on their posts and serve customers. The Company has also received support from proprietors and third party firms. The Company's revenue continues to grow, while the progress, collection and payment operations of projects remain normal. Current business and finances of the Company are quite robust, as the Company's operations have not been affected by any of the judicial events.

(iii) On December 5, 2013, based on the contents of the indictment, the SFIPC argued that it was inappropriate for the former three directors to hold such positions in the Company and appealed for court decision to dismiss the directors' positions.

Under the Taipei District Court's ruling in June 18, 2015, the SFIPC lost the lawsuit. The SFIPC filed an appeal, but due to the death of the former Chairman Wang, the SFIPC withdraw part of the appeal and changed its petition to be dismissing two directors' positions from June 16, 2015 to June 15, 2018. The court of Second Instance decided in early February 2016 to dismiss the complaint of the SFIPC about changes of claims. The SFIPC appealed to the Court of Third Instance on March 28, 2016. The Supreme Court (No. 106 Tai Shang Tzu 2658) revoked the original Second Instance judgment on September 28, 2018, and remanded the case to the High Court. On April 28, 2020, the two directors were disqualified from being a director by the High Court order. Both directors filed appeals on May 18, 2020, but due to the resignation of director Lee on June 2, 2020, she withdrew the appeal on June 3 in the same year and the court's decision on director Lee became finalized as of the date thereof. Mr. Chen did not reappoint as a director in the shareholder's meeting on August 17, 2021. The Supreme Court decided to dismiss the appeal of Mr. Chen on February 24, 2021, and the High Court's decision on Mr. Chen became finalized. The financial, business operations of the Company have also not been affected by this lawsuit.

(iv) According to the content of the indictment on January 27, 2014, the SFIPC filed a group lawsuit on behalf of the investor on the grounds that the Company's financial reports from the third quarter of 2008 to 2011 were misrepresented, requesting the Company, directors and former supervisors to jointly compensate the investors for the damage amounting to more than $243 million.

As stated above, the Company's operations and financial position have always been sound, and its share price has remained at a considerable level. It has been a stable and profitable company for a long time. Relevant parties have also indicated that the Company has handled the affairs of the Company's interests and has no caused the Company's financial reports to be misrepresented. The former Chairman Chen has appealed to the Supreme Court regarding the High Court's decision on the criminal case. Before the criminal case and the final judgment of this civil action are determined, whether the Company has misrepresented financial reports in the past years stated, the investors have been harmed, or the damage is related to false financial reporting, etc., it would take a period of time before the judgment is announced.

This lawsuit has also not affect the normal operation of the Company's current financial business.

(c) The Company received the civil judgment from the Taiwan Taipei District Court on September 2, 2014 that the Company should pay the package fees of $104,559 thousand and the former Chairman Wang's salary from January 2001 to April 2012, as previously paid by Dentsu, amounting to $21,405 thousand.

In the third quarter of 2014, in accordance with the judgment stated above, the Company assessed and took into accounts the package fees and salary paid by Dentsu, which have yet to be reimbursed by the Company (respectively logged as construction costs and management costs). The Company also estimated that the relevant interest payable as of December 31, 2021 amounted to $46,816 thousand (please refer to note 7).

As of the reporting date, the Company has yet to reimburse the abovementioned package fees, salary and related interests.

(d) On September 5, 2016, Jiangxi United Integrated Services Ltd. ("Jiangxi UIS") and Fujian Mantix Display Technology Co. Ltd. ("Fujian Mantix") have executed the "Clean City Subcontract A Turn-Key Agreement" for the "Phrase I Project of the Fujian Mantix High-Tech Panel Construction" ("Project") in Hanjiang District, Putian City, and have subsequently executed four supplemental agreements, including the "Electrical and Mechanical Installation Project of Section A" and the "Light Current System Installation Project". Jiangxi UIS had performed all of the obligations arising from the abovementioned agreements; while Fujian Mantix accepted and put the Project into operation for which warranty coverage has expired but failed to make payments amounting to CNY 27,303 thousand pursuant to the Agreements. On April 23, 2020, Jiangxi UIS filed a lawsuit to recover the unpaid fees and relevant interest and applied for an asset preservation order in the Fujian Putian Middle Class People's Court ("People's Court"). On June 5, 2020, the People's Court ordered to freeze Fujian Mantix's certain bank accounts within a certain range of deposit amounts. A meditated settlement agreement ("Settlement") was reached between the parties subsequently and was approved by the People's Court on September 28, 2020. Pursuant to the Settlement, the parties agreed that the total sum of the unpaid amount shall be CNY 28,000 thousand ("Settlement Amount"). The Settlement Amount shall be paid in 7 installments commencing on October 31, 2020 with the last payments due on April 30, 2021, and if Fujian Mantix fails to pay on time, the total sum of the payment will be restored back to amount recognized by the parties amounting to CNY 27,301 thousand plus the interest of CNY 1,200 thousand.

As of December 31, 2021, the aforementioned receivables from construction had been received.

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Notes to the Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2021:

(i) Loans to other parties:

Unit: in thousands of New Taiwan Dollar

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 1)	Actual usage amount during the period	Range of interest rates	Purposes of fund financing for the borrower (Note 3)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limit (Note 2)	Maximum limit of fund financing (Note 2)
													Item	Value		
0	The Company	Su Yuan (Shanghai) Trading Ltd.	Other receivables	Yes	139,411	138,139	88,461	1.95%	2	-	Operating capital	-		-	1,921,332	3,842,665

Note 1: The ending balance during the current period is the amount, not the actual usage amount.

Note 2: The total amount of the Company's externally handled funds and loans does not exceed 40% of the Company's net worth, and the loan for a single business fund is not more than 20% of the Company's net worth.

Note 3: The capital loan and nature are as follows:

There are business contacts for 1

The need for short-term financing is 2

Note 4: The transactions were eliminated in the preparation of consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

Unit: thousand dollars

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for one party (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsement / guarantees to third parties on behalf of subsidiary	Subsidiary endorsement / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of company in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	UNITED INTEGRATED SERVICES (USA) CORP.	2	76,853,304	11,353,483	11,292,289	-	-	117.55%	96,066,630	Y	N	N

Note 1: The total amount of the Company's external endorsement /guarantee shall not exceed ten times of the net value of the Company. The maximum guarantee and endorsement for single enterprise cannot exceed 50% of net value except for the following subsidiaries. The net value is based on the latest financial statements audited or reviewed by the accountants.
1. The Company directly and indirectly holds 100% of the voting shares of a company shall not exceed eight times of the net value.
2. The Company directly and indirectly holds more than 50% of the voting shares of a company shall not be exceed 1.5 times of net value.

Note 2: There are seven conditions in which the Company may have guarantees or endorsements for other parties:
1) The Company has business relationship.
2) A company in which the Company directly or indirectly holds more than 50% voting right.
3) An investee in which the Company and subsidiary holds more than 50% of its voting rights.
4) Subsidiaries in which the Company holds more than 90% of voting rights.
5) Companies in accordance with contractual provisions established by mutual applicants or in need of project.
6) Companies that are endorsed and guaranteed by all capital shareholders based on their shareholding ratio due to a joint investment relationship.
7) The performance guarantees for pre-sale house sales contract between intra-industry companies in accordance with the Consumer Protection Law requires joint guarantee.

(iii) Securities held at the end of the period (excluding investment in subsidiaries, associates and joint ventures):

Unit: in thousands of New Taiwan Dollar/thousand of shares

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	stock－Nanya Technology Corporation	-	Current financial assets at fair value through profit or loss	63	4,955	- %	4,955	-	
The Company	stock－Taichung Commercial Bank Co., Ltd.	-	Current financial assets at fair value through profit or loss	120	1,454	- %	1,454	-	
The Company	stock－Acer	-	Current financial assets at fair value through profit or loss	1,400	42,630	0.05 %	42,630	0.05	
The Company	stock－Chunghwa Telecom Co., Ltd.	-	Current financial assets at fair value through profit or loss	26	3,029	- %	3,029	-	
The Company	stock－CTCI Co., Ltd.	-	Current financial assets at fair value through profit or loss	10	372	- %	372	-	
The Company	stock－Powerchip Semiconductor Manufacturing Corporation	-	Current financial assets at fair value through profit or loss	7,639	543,899	0.25 %	543,899	0.25	
The Company	stock－Powerchip Technology Corporation	-	Current financial assets at fair value through profit or loss	4,553	114,622	0.14 %	114,622	0.33	
	totals				710,961				
The Company	stock－Taiwan Electronic Data Processing Corp.	-	Non-current financial assets at fair value through profit or loss	374	3,156	9.65 %	3,156	9.65	

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Company	stock－Pu-Xun Venture Capital	-	Non-current financial assets at fair value through profit or loss	397	373	1.67 %	373	1.67	
The Company	stock－Aetas Technology Inc.	-	Non-current financial assets at fair value through profit or loss	91	-	0.30 %	-	0.30	

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Highest Percentage of ownership (%)	Note
The Company	stock－Glandtex Corporation	-	Non-current financial assets at fair value through profit or loss	1	-	0.01 %	-	0.01	
The Company	stock－Promos Technologies Inc.	-	Non-current financial assets at fair value through profit or loss	2	-	- %	-	-	
	totals				3,529				
The Company	stock－Jiangxi Construction	-	Non-current financial assets at fair value through other comprehensive income	Note 1	2,026,136	19.80 %	2,026,136	19.80	

Note 1: Registered with the amount of capital contribution.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

Unit: thousand dollars

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information: Owner	Relationship with the Company	Date of transfer	Amount	References for determining price	Purpose of acquisition and current condition	Others
The Company	Land	June 12, 2020	361,860	paid: -	Tsuan Lin, Hong	-	-	-	-	-	Appraisal report from Lichyuan real estate appraisal firm	Headquarters	None
The Company	Building	June 12, 2020	155,090	paid: -	DeEn. Construction Co., Ltd	-	-	-	-	-	Appraisal report from Lichyuan real estate appraisal firm	Headquarters	None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Unit: in thousands of New Taiwan Dollar

Name of company	Related party	Nature of Relationship	Transaction details: Purchase / Sale	Amount	Percentage of total purchases / sales	Payment terms	Transactions with terms different from others: Unit price	Payment terms	Notes / accounts receivable (payable): Ending balance	Percentage of total notes / accounts receivable (payable)	Note
The Company	AIRREX Co., Ltd.	Subsidiary	Purchase	115,733	0.54 %	O/A 62 days	-	-	63,898	1.35%	Note 1
The Company	ECO Energy Corporation	Subsidiary	Purchase	144,952	0.67 %	O/A 30 days	-	-	-	-%	
The Company	Han Syuan Energy Co., Ltd	Subsidiary	Sale	145,403	0.57 %	O/A 30 days	-	-	-	-%	Note 2
The Company	United Intergrated Services Co., Ltd. (JIANGXi)	Subsidiary	Sale	202,412	0.79 %	O/A 90 days	-	-	-	-%	Note 2

Note 1: The Company only disclosed the purchase amounts from AIRREX CO., LTD. that transaction occurred from January 1 to August 31, 2021. Since September 1, 2021, AIRREX CO., LTD. is no longer the Group's related party. Therefore, the disclosure of accounts payable to related parties in note 7 does not include the disclosure of accounts payable in this chart.

Note 2: Eliminated in the preparation of the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Unit: in thousands of New Taiwan Dollar

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue: Amount	Action taken	Amounts received in subsequent period	Loss allowances
The Company	Su Yuan (Shanghai) Trading Ltd.	Subsidiary	126,934	-	-		414	-

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Note: The transactions were eliminated in the preparation of consolidated financial statements.

(ix) Trading in derivative instruments: None.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
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(x) Business relationships and significant intercompany transactions:

Unit: in thousands of New Taiwan Dollar

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	**Amount**	**Trading terms**	**Percentage of the consolidated net revenue or total assets**
0	United Integrated Services Co., Ltd.	Beijing Hanhe Tang Medical Devices Co., Ltd.	1	Accounts Receivable - Related Parties	1,486	There is no different from general transaction.	0.01%
1	Beijing Hanhe Tang Medical Devices Co., Ltd.	United Integrated Services Co., Ltd.	2	Accounts Payable - Related Parties	1,486	There is no different from general transaction.	0.01%
0	United Integrated Services Co., Ltd.	Hanxuan Energy Co., Ltd	1	Other Receivables - Related Parties	70	There is no different from general transaction.	-%
2	Hanxuan Energy Co., Ltd	United Integrated Services Co., Ltd.	2	Accounts Payable - Related Parties	70	There is no different from general transaction.	-%
0	United Integrated Services Co., Ltd.	Hunter Energy Co., Ltd	1	Other Receivables - Related Parties	14	There is no different from general transaction.	-%
3	Hunter Energy Co., Ltd	United Integrated Services Co., Ltd.	2	Accounts Payable - Related Parties	14	There is no different from general transaction.	-%
0	United Integrated Services Co., Ltd.	Su Yuan Trading (Shanghai) Co., Ltd	1	Long-Term Accounts Receivable - Related Parties	126,934	There is no different from general transaction.	0.53%
4	Su Yuan Trading (Shanghai) Co., Ltd	United Integrated Services Co., Ltd.	2	Long-Term Accounts Payable - Related Parties	126,934	There is no different from general transaction.	0.53%
0	United Integrated Services Co., Ltd.	United Integrated Services Co., Ltd. (JIANGXi)	1	Long-Term Accounts Receivable - Related Parties	35,983	There is no different from general transaction.	0.15%
5	United Integrated Services Co., Ltd. (JIANGXi)	United Integrated Services Co., Ltd.	2	Long-Term Accounts Payable - Related Parties	35,983	There is no different from general transaction.	0.15%
0	United Integrated Services Co., Ltd.	United Integrated Services Ltd. (British Virgin Islands)	1	Accounts Payable - Related Parties	24,600	There is no different from general transaction.	0.10%
6	United Integrated Services Ltd. (British Virgin Islands)	United Integrated Services Co., Ltd.	2	Accounts Receivable - Related Parties	24,600	There is no different from general transaction.	0.10%
0	United Integrated Services Co., Ltd.	Hanxuan Energy Co., Ltd	1	Construction Unearned Revenue - Related Parties	351,600	There is no different from general transaction.	1.48%
2	Hanxuan Energy Co., Ltd	United Integrated Services Co., Ltd.	2	Prepayments - Related Parties	351,600	There is no different from general transaction.	1.48%
0	United Integrated Services Co., Ltd.	Hunter Energy Co., Ltd	1	Construction Unearned Revenue - Related Parties	50,000	There is no different from general transaction.	0.21%
3	Hunter Energy Co., Ltd	United Integrated Services Co., Ltd.	2	Prepayments - Related Parties	50,000	There is no different from general transaction.	0.21%
0	United Integrated Services Co., Ltd.	Su Yuan Trading (Shanghai) Co., Ltd	1	Construction Revenue	476	There is no different from general transaction.	-%

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4	Su Yuan Trading (Shanghai) Co., Ltd	United Integrated Services Co., Ltd.	2	Construction Cost	476	There is no different from general transaction.	-%
0	United Integrated Services Co., Ltd.	United Integrated Services Co., Ltd. (JIANGXi)	1	Construction Revenue	202,413	There is no different from general transaction.	0.79%
5	United Integrated Services Co., Ltd. (JIANGXi)	United Integrated Services Co., Ltd.	2	Construction Cost	202,413	There is no different from general transaction.	0.79%
0	United Integrated Services Co., Ltd.	United Integrated Services Co., Ltd. (Singapore)	1	Construction Revenue	1,844	There is no different from general transaction.	0.01%
7	United Integrated Services Co., Ltd. (Singapore)	United Integrated Services Co., Ltd.	2	Construction Cost	1,844	There is no different from general transaction.	0.01%

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No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	United Integrated Services Co., Ltd.	Hanxuan Energy Co., Ltd	1	Construction Revenue	145,403	There is no different from general transaction.	0.57%
2	Hanxuan Energy Co., Ltd	United Integrated Services Co., Ltd.	2	Construction Cost	145,403	There is no different from general transaction.	0.57%
0	United Integrated Services Co., Ltd.	Hanxuan Energy Co., Ltd	1	Rental Income	23	There is no different from general transaction.	-%
2	Hanxuan Energy Co., Ltd	United Integrated Services Co., Ltd.	2	Rental Expense	23	There is no different from general transaction.	-%
0	United Integrated Services Co., Ltd.	Hanxuan Energy Co., Ltd	1	Service Revenue	207	There is no different from general transaction.	-%
2	Hanxuan Energy Co., Ltd	United Integrated Services Co., Ltd.	2	Service Expense	207	There is no different from general transaction.	-%
0	United Integrated Services Co., Ltd.	Hunter Energy Co., Ltd	1	Construction Revenue	28,698	There is no different from general transaction.	0.11%
3	Hunter Energy Co., Ltd	United Integrated Services Co., Ltd.	2	Construction Cost	28,698	There is no different from general transaction.	0.11%
0	United Integrated Services Co., Ltd.	Hunter Energy Co., Ltd	1	Rental Income	23	There is no different from general transaction.	-%
3	Hunter Energy Co., Ltd	United Integrated Services Co., Ltd.	2	Rental Expense	23	There is no different from general transaction.	-%
0	United Integrated Services Co., Ltd.	Hunter Energy Co., Ltd	1	Service Revenue	37	There is no different from general transaction.	-%
3	Hunter Energy Co., Ltd	United Integrated Services Co., Ltd.	2	Service Expense	37	There is no different from general transaction.	-%
0	United Integrated Services Co., Ltd.	Su Yuan Trading (Shanghai) Co., Ltd	1	Interest Income	2,254	There is no different from general transaction.	0.01%
4	Su Yuan Trading (Shanghai) Co., Ltd	United Integrated Services Co., Ltd.	2	Interest Expense	2,254	There is no different from general transaction.	0.01%
8	Suzhou Hantai System Integration Co., Ltd.	United Integrated Services Co., Ltd. (JIANGXi)	3	Rental Income	4,350	There is no different from general transaction.	0.02%
5	United Integrated Services Co., Ltd. (JIANGXi)	Suzhou Hantai System Integration Co., Ltd.	3	Rental Expense	4,350	There is no different from general transaction.	0.02%
8	Suzhou Hantai System Integration Co., Ltd.	Su Yuan Trading (Shanghai) Co., Ltd	3	Rental Income	481	There is no different from general transaction.	-%
4	Su Yuan Trading (Shanghai) Co., Ltd	Suzhou Hantai System Integration Co., Ltd.	3	Rental Expense	481	There is no different from general transaction.	-%
4	Su Yuan Trading (Shanghai) Co., Ltd	United Integrated Services Co., Ltd. (JIANGXi)	3	Construction Revenue	10,224	There is no different from general transaction.	0.04%
5	United Integrated Services Co., Ltd. (JIANGXi)	Su Yuan Trading (Shanghai) Co., Ltd	3	Construction Cost	10,224	There is no different from general transaction.	0.04%

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
4	Su Yuan Trading (Shanghai) Co., Ltd	United Integrated Services Co., Ltd. (JIANGXi)	3	Unearned Sales Revenue - Related Parties	6,154	There is no different from general transaction.	0.03%
5	United Integrated Services Co., Ltd. (JIANGXi)	Su Yuan Trading (Shanghai) Co., Ltd	3	Prepayments - Related Parties	6,154	There is no different from general transaction.	0.03%

Note 1: The numbering is as follows:
1. “0” represents the parent company
2. Subsidiaries are sequentially numbered from 1 by company

Note 2: Relation between related parties are as follows:
1. Parent company and its subsidiaries
2. Subsidiaries and its parent company
3. Subsidiaries and its subsidiaries

Note 3: The transactions were eliminated in the preparation of consolidated financial statements.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2021 (excluding information on investees in Mainland China):

Unit: in thousands of New Taiwan Dollar / thousands of shares

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Highest Percentage of ownership	Net income (losses) of investee	Share of profits /losses of investee (Note 1)	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value				
The Company	ABLEREX ELECTRONICS CO., LTD.	Taiwan	Sale and purchase of UPS	189,852	189,852	14,987	33.30%	499,046	33.30%	75,872	25,268	
The Company	WHOLETECH SYSTEM HITECH LIMITED	Taiwan	Gas pipeline engineering	61,367	61,367	9,946	13.61%	221,489	13.61%	281,195	38,287	
The Company	JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Taiwan	Machinery and Equipment Manufacturing	47,544	47,874	3,464	16.90%	48,042	17.01%	(6,447)	(1,097)	
The Company	Eco Energy Corporation	Taiwan	Integration and Solutions of Battery Energy Storage Systems, Purchase and Sale of Related Materials and Equipment	99,449	99,449	6,630	16.57%	106,290	16.57%	40,483	6,710	
The Company	United Integrated Services (BVI) Co., Ltd.	BVI	Investment activities	567,643	567,643	17,698	100.00%	751,093	100.00%	22,935	22,935	Note 2
The Company	Hanxuan Energy Co., Ltd.	Taiwan	self-usage power generation equipment utilizing renewable energy	500,000	150,000	50,000	100.00%	453,507	100.00%	(9,813)	(9,813)	Note 2
The Company	Hunter Energy Co., Ltd.	Taiwan	self-usage power generation equipment utilizing renewable energy	90,000	90,000	9,000	100.00%	73,743	100.00%	(211)	(211)	Note 2
The Company	UNITED INTEGRATED SERVICES (USA) CORP.	USA	Clean room system construction	1,392,503	57,130	50,000	100.00%	1,363,005	100.00%	(20,066)	(20,066)	Note 2
The Company	UNITED INTEGRATED SERVICES CO., LTD. (Singapore)	Singapore	Clean room system construction	34,040	34,040	-	100.00%	(29,303)	100.00%	(2,510)	(2,510)	Note 2
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEMHITECH (BVI) LIMITED	BVI	Investment activities	170,884	170,884	5,400	100.00%	293,370	100.00%	61,090	61,090	
WHOLETECH SYSTEMHITECH (BVI) LIMITED	WHOLETECH SYSTEMHITECH (SHANHAI) LIMITED	China	Electromechanical, Circuit, and Pipeline Engineering Businesses	169,127	169,127	-	100.00%	293,350	100.00%	61,090	61,090	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEMHITECH INC.	Mauritius	Investment activities	110,559	110,559	3,500	100.00%	262,350	100.00%	48,498	48,498	
WHOLETECH SYSTEM HITECH INC.	WHOLETECH GROUPINTERNATIONALTRADING LIMITED	Mauritius	Investment activities	110,559	110,559	3,500	100.00%	262,350	100.00%	48,498	48,498	
WHOLETECH GROUP INTERNATIONAL TRADING LIMITED	WHOLETECH GROUP (Shanghai) TRADING LIMITED	China	Import and Export Trading Business of Electronics, Machineries, Chemical Equipment, Pipe Fitting Hardware, etc.	110,559	110,559	-	100.00%	262,350	100.00%	48,498	48,498	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEMHITECH (S) PTE.LTD.	Singapore	Construction of water, gas pipelines and sewage systems, gas production, distribution of fuel gas main systems, etc.	30,865	30,865	200	100.00%	45,939	100.00%	5,266	5,266	
WHOLETECH SYSTEM HITECH (S) PTE. LTD.	WHOLETECH SYSTEMHITECH (M) SDN.BHD.	Malaysia	Construction of water, gas pipelines and sewage systems, gas production, distribution of fuel gas main systems, etc.	855	855	100	100.00%	308	100.00%	(77)	(77)	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-Samoa	Samoa	Holding company	217,445	217,445	6,635	100.00%	450,420	100.00%	(18,884)	(19,695)	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-USA	USA	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	8,303	8,303	250	100.00%	60,357	100.00%	13,649	13,681	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-HK	Hong Kong	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	43	43	10	100.00%	29,649	100.00%	1,070	1,070	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-SG	Singapore	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	48,008	48,008	2,141	100.00%	100,405	100.00%	8,706	10,268	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-UK	UK	Holding company	4,674	4,674	100	100.00%	14,447	100.00%	3,803	3,600	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-JP	Japan	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	9,159	9,159	3	99.00%	5,867	99.00%	(2,980)	(2,967)	
Ablerex-Samoa	Ablerex -Overseas	Hong Kong	Holding company	217,445	217,445	6,635	100.00%	456,434	100.00%	(18,845)	-	
Ablerex-UK	Ablerex-IT	Italy	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	4,674	4,674	100	100.00%	14,447	100.00%	3,803	-	
Ablerex-SG	Ablerex-TH	Thailand	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	256	256	280	70.00%	2,770	70.00%	(249)	-	
Ablerex-USA	Ablerex-LATAM	USA	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	15,358	15,358	4	86.00%	7,610	86.00%	5,061	-	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	ASIA INTELLIGENCE INVESTMENTS LIMITED	BVI	Investment activities	30,280	30,280	-	100.00%	41,486	100.00%	7,867	7,867	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Taiwan Sustainable Environmental Energy CO., LTD	Taiwan	Sales of polluton control equipment	100	1,000	10	14.29%	105	14.29%	(16)	16	

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Highest Percentage of ownership	Net income (losses) of investee	Share of profits /losses of investee (Note 1)	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value				
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Hua Zhi System Engineering Co., Ltd.	Taiwan	Sales of polluton control equipment	2,205	2,205	221	21.00%	5,373	21.00%	887	232	
ASIA INTELLIGENCE INVESTMENTS LIMITED	JG ENVIRONMENTAL TECHNOLOGY (SHANGHAI) CO., LTD	China	Sales of polluton control equipment and manufacturing	30,280	30,280	-	100.00%	41,607	100.00%	7,867	7,867	
Eco Energy Corporation	Jia Huang Technology Ltd.	Taiwan	Possession of power plants and engagement in public agency cases	50,000	50,000	5,000	100.00%	47,916	100.00%	175	(2,084)	
Eco Energy Corporation	Jia Ai Technology Co., Ltd.	Taiwan	Possession of power plants and engagement in public agency cases	1,000	1,000	100	100.00%	956	- %	(32)	(44)	
Eco Energy Corporation	Jei Bo Energy Co., Ltd.	Taiwan	Possession of power plants and engagement in public agency cases	5,000	-	500	100.00%	4,991	- %	(9)	(9)	
Eco Energy Corporation	Ming Qu Energy Engineering Ltd.	Taiwan	Possession of power plants and engagement in public agency cases	206,045	-	20,604	49.00%	179,451	- %	(407)	(26,594)	
Eco Energy Corporation	Hei Bo Energy Co., Ltd.	Taiwan	Possession of power plants and engagement in public agency cases	5,000	-	500	100.00%	4,991	- %	(9)	(9)	

Note 1: The profits/losses of the investee for current period were recognized by the investment company.

Note 2: The transactions were eliminated in the preparation of consolidated financial statements.

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Unit: in thousands of New Taiwan Dollar

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value as of December 31, 2021	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Su Yuan (Shanghai) Trading Ltd.	Semiconductor, clean room and electromechanical	NT$ 34,495 USD 1,000	(2)	NT$ 34,495 USD 1,000	-	-	NT$ 34,495 USD 1,000	10,500	100.00%	100.00%	NT$ 10,500	NT$ 317,455	-
JIANGXI UNITED INTEGRATED SERVICES Ltd.	Electromechanical business and pipeline engineering business	NT$ 453,360 RMB 100,000	(1)	NT$ 338,573 RMB 75,000	-	-	NT$ 338,573 RMB 75,000	204,029	75.00%	75.00%	NT$ 153,022	NT$ 478,936	NT$ 1,502,709 RMB 320,521
Suzhou Han tai System Integrated Ltd.	Construction hardware, materials production and sales	NT$ 381,660 USD 12,000	(2)	NT$ 381,660 USD 12,000	-	-	NT$ 381,660 USD 12,000	10,211	100.00%	100.00%	NT$ 10,211	NT$ 332,811	-
Jiangxi Construction Engineering Group Co., Ltd.	Various types of building construction	NT$ 5,113,150 RMB 1,043,500	(1)	NT$ 1,008,212 RMB 206,600	-	-	NT$ 1,008,212 RMB 206,600	-	19.80%	19.80%	NT$ -	NT$ 2,026,136	NT$ 1,560,313 RMB 334,616
Beijing Han he Tang Medical instrument Ltd.	Distribution agency for medical equipment, import and export of goods, after-sales service	NT$ 30,187 USD 1,000	(2)	NT$ 30,187 USD 1,000	-	-	NT$ 30,187 USD 1,000	2,193	100.00%	100.00%	NT$ 2,193	NT$ 13,461	-

Note 1: Investment method

(1) Investing in the mainland through companies in another country

(2) Establishing a company through the investment in the third region to reinvest in the mainland.

Note 2: Except for Jiangxi Construction Engineering Group Co., Ltd., the transactions were eliminated in the preparation of consolidated financial statements.

(ii) Limitation on investment in Mainland China:

Accumulated investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,798,283 (USD59,165)	1,825,134 (USD59,165)	5,763,997

(iii) Significant transactions with investees in Mainland China:

The significant inter－company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are di

sclosed in "Information on significant transactions".

(d) Major shareholders:

For the year ended December 31, 2021, no shareholder held more than 5%.

(14) Segment information

(a) General information

The Group's reportable segments are as follows:

(i) Engineering and Integration department：It is engaged in various equipment engineering, control of instrument engineering, clean room system construction and other services.

(ii) Maintenance and Design department： It provides various computerized automatic monitoring system, engineering design, maintenance contracting services and other businesses.

(iii) Other: Department of photoelectric, renewable energy and others.

(b) Information about reportable segments and their measurement and reconciliations:

The reportable segments of the Group are strategic business entities providing different product and services. Since each strategic business entities need different technology and marketing strategy, they are managed separately. Most of the business entities were acquired separately and the original management teams when acquired stay the same.

The Group does not allocate tax expenses to its reporting segments. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note 2 "Significant Accounting Policies". The income of the operating segments is measured based on the income before tax, which also serves as the basis for performance measurement. The Group considers the sales and transfer between departments as a sales or transfer with a third person, measured at the current market price.

The Group's operating segment information and reconciliation were as follows:

	2021				
	Engineering and Integration department	**Maintenance and Design department**	**Other**	**Reconciliation and elimination**	**Total**
Revenue:					
Revenue from external customers	$ 25,401,497	88,262	116,382	-	25,606,141
Intersegment revenues	389,058	244	-	(389,302)	-
Interest income	98,690	-	-	(2,254)	96,436
Total revenue	$ 25,889,245	88,506	116,382	(391,556)	25,702,577
Interest expenses	$ 14,076	-	-	(2,254)	11,822
Depreciation and amortization	$ 30,004	984	40,111	-	71,099
Reportable segment profit or loss	$ 3,183,988	43,175	471,508	(143,357)	3,555,314

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	2020				
	Engineering and Integration department	Maintenance and Design department	Other	Reconciliation and elimination	Total
Revenue:					
Revenue from external customers	$ 35,630,541	82,234	123,867	-	35,836,642
Intersegment revenues	236,334	-	277	(236,611)	-
Interest income	107,065	-	-	(2,637)	104,428
Total revenue	$ 35,973,940	82,234	124,144	(239,248)	35,941,070
Interest expenses	$ 10,237	-	-	(2,637)	7,600
Depreciation and amortization	$ 25,878	497	23,813	-	50,188
Reportable segment profit or loss	$ 4,605,892	45,561	602,832	(172,483)	5,081,802

Note: As the information on segment assets and liabilities was not provided to the chief operating decision maker, the information on segment assets and liabilities is not disclosed.

(c) Product and service information

Revenue from the external customers of the Group was as follows:

Products and services	2021	2020
Construction revenue	$ 25,401,497	35,630,541
Service and design revenue	88,262	82,234
Sales	116,382	123,867
Total	$ 25,606,141	35,836,642

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Geographical information	2021	2020
Revenue:		
Taiwan	$ 22,680,457	33,667,653
Mainland China	2,848,002	2,163,789
Singapore	(1,193)	5,200
USA	78,875	-
Total	$ 25,606,141	35,836,642

Geographical information	December 31, 2021	December 31, 2020
Non-current assets:		
Taiwan	$ 1,286,470	815,675
Mainland China	233,709	247,435
United States	118,999	30,021
Singapore	291	1,055
Total	$ 1,639,469	1,094,186

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, and other assets, not including financial instruments and deferred tax assets (non-current).

(e) Major customers

For the years ended December 31, 2021 and 2020, the sales to customers exceeded 10% of the total revenue were as follows:

	2021		2020	
Name of customer	**Amount**	**%**	**Amount**	**%**
A customer	$ 14,652,850	57.22	9,246,496	25.80
B customer	7,153,847	27.94	23,270,700	64.94
Total	**$ 21,806,697**	**85.16**	**32,517,196**	**90.74**

Stock Code:2404

UNITED INTEGRATED SERVICES CO., LTD.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

Address: **6F., No.297, Section 6, Roosevelt Rd, Taipei City 116, Taiwan (ROC)**

Telephone: **(02)2917-4060**

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Independent Auditors' Report

To the Board of Directors of United Integrated Services Co., Ltd.:

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter section), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Other Matter

We did not audit the financial statements of certain investee companies under the equity method and Note 13 (b) "Information on investees of the financial statements". Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these investee companies, is based solely on the reports of other auditors. The investments in the investee companies constituted 4.07% and 3.54% of the total assets, as of December 31, 2021 and 2020, respectively. For the years then ended, the recognized shares of profit of associates accounted for using the equity method of these investee companies constituted 2.03% and 1.04% of the total profit before tax, respectively.

Key Audit Matters

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

1. Revenue recognition

   For the accounting policies related to revenue recognition, please refer to Note 4 (o) "Revenue recognition"; for uncertainty of accounting estimates and assumption for revenue recognition, please refer to Note 5 (b) "Revenue recognition"; for information of revenue recognition, please refer to Note 6 (s) "Revenue from contracts with customers" to the financial statements.

   Description of Key Audit Matter:

   The Company recognizes construction contract revenue by percentage of completion method. The percentage of completion is based on the contract costs incurred as of the financial statements reporting date, representing the percentage of the estimated total contract costs. Because construction contract accounting involves a high level of estimation and judgment, revenue recognition has been identified as one of the key audit matters for our audit.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, our principal audit procedures included testing the effectiveness of the internal control related to the timing and precision of revenue recognition. Through sampling and reviewing new construction contracts and related documents throughout the Company's reporting period, we obtained annual project revenue statistics and validated the correctness of revenue recognized on the projects.

2. Accounts receivable impairment assessment

   For the accounting policies related to the impairment assessment of accounts receivable, please refer to Note 4 (f) "Financial instruments"; for uncertainty of accounting estimates and assumption for the impairment assessment of accounts receivable, please refer to Note 5 (a) "Impairment assessment of accounts receivable"; for information of the impairment assessment of accounts receivable, please refer to Note 6 (c) "Notes and accounts receivable" to the financial statements.

   Description of Key Audit Matter:

   The Company recognized expected credit loss in accordance with the Company's policy of allowance for accounts receivable, and established its estimation based on its clients' credit risk, historical experiences of credit loss, and rational expectation of future economic conditions. Since the accounting of expected credit loss of accounts receivable involves a high level of estimation and judgment, the impairment assessment of accounts receivable has been identified as one of the key audit matters for our audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: (i) understanding the accounting policies of the impairment assessment of notes and trade receivables; (ii) implementing sampling procedures to examine the accuracy of accounts receivable aging report; (iii) analyzing the changes of the aging of accounts receivable in each period; (iv) examining historical collection records; (v) examining subsequent collection status to evaluate the reasonableness of the Company's recognition of allowance for impairment loss.

3. Financial instruments assessment

For the accounting policies related to the assessment of financial instruments, please refer to Note 4 (f) "Financial Instruments"; for uncertainty of accounting estimates and judgments for fair value of financial instruments, please refer to Note 5 (c) "Fair value of financial instruments"; for information of the fair value of financial instruments, please refer to Note 6 (v) "Fair value hierarchy information" to the financial statements.

Description of Key Audit Matter:

The accounting of the assessment of financial instruments involves a high level of estimation and judgment. Therefore, the assessment of financial instruments has been identified as one of the key audit matters for our audit.

How the matter was addressed in our audit:

The principal audit procedures for the above key audit matters by the accountant include testing the investment cycle and financial reporting process of the Company and assessing the internal control of the disclosure of the financial statements. Appointed our valuation specialists to assess the reasonableness of valuation techniques and to test the key parameters of financial assets without active market prices, wherein valuation models are used to ensure that the applied valuation techniques are in accordance with IFRS 13 “Fair Value Measurement”.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Fu-Jen, Chen and Jung-Lin, Lee.

KPMG

Taipei, Taiwan (Republic of China)
March 23, 2022

Notes to Readers

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

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

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

UNITED INTEGRATED SERVICES CO., LTD.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar)

	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note6(a))	$ 4,301,255	20	6,506,029	27
1110	Current financial assets measured at fair value through profit or loss (note6(b)(v))	710,961	3	499,890	2
1140	Current contract assets (note6(s))	2,626,321	12	1,260,739	5
1150	Notes receivable, net (note6(c))	870	-	5,881	-
1170	Accounts receivable, net (note6(c)(s))	2,099,497	10	6,196,773	26
1180	Accounts receivable－related parties (note6(c)(s) and 7)	1,486	-	3,289	-
130X	Inventories (note6(d))	65,627	-	56,665	-
1410	Prepayments (note6(e) and 7)	721,041	3	605,628	3
1470	Other current assets (note6(l) and 7)	3,446,899	17	3,522,156	15
	Total current assets	13,973,957	65	18,657,050	78
	Non-current assets:				
1510	Non-current financial assets measured at fair value through profit or loss (note6(f)(v))	3,529	-	6,805	-
1517	Non-current financial assets measured at fair value through other comprehensive income (note6(g)(v))	2,026,136	9	1,958,718	8
1550	Investments accounted for using equity method (note6(h))	3,995,151	19	2,296,558	10
1600	Property, plant and equipment (note6(i) and 7)	1,090,521	5	547,066	2
1755	Right-of-use assets (note6(j))	39,980	-	19,676	-
1780	Intangible assets (note6(k))	21,422	-	3,353	-
1840	Deferred tax assets (note6(p))	172,319	1	165,079	1
1940	Long-term other receivables－related parties (note7)	162,917	1	202,767	1
1900	Other non-current assets (note6(l) and 8)	12,699	-	114,789	-
	Total non-current assets	7,524,674	35	5,314,811	22
	Total assets	**$ 21,498,631**	**100**	**23,971,861**	**100**

	Liabilities and Equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities:				
2130	Current contract liabilities (note6(s) and 7)	$ 6,453,112	30	6,101,840	25
2150	Notes payable (note6(v))	64,094	-	60,869	-
2160	Notes payable－related parties (note6(v) and 7)	-	-	5,983	-
2170	Accounts payable (note6(v))	3,840,952	18	5,489,000	23
2180	Accounts payable－related parties (note6(v) and 7)	91,867	-	251,780	1
2220	Other payables－related parties (note7)	172,780	1	166,481	1
2230	Current tax liabilities	144,478	1	486,944	2
2250	Current provisions (note6(m))	11,812	-	19,408	-
2280	Current lease liabilities (note6(n)(v))	22,840	-	11,879	-
2300	Other current liabilities (note6(o)(v))	732,366	3	908,160	4
	Total current liabilities	11,534,301	53	13,502,344	56
	Non-Current liabilities:				
2550	Non-current provisions (note6(o))	176,745	1	326,982	2
2570	Deferred tax liabilities (note6(p))	108,287	1	95,643	-
2580	Non-current lease liabilities (note6(n)(v))	17,265	-	7,893	-
2645	Guarantee deposits received (note6(v))	26,067	-	6,663	-
2650	Credit balance of investments accounted for using equity method (note6(h))	29,303	-	28,282	-
	Total non-current liabilities	357,667	2	465,463	2
	Total liabilities	11,891,968	55	13,967,807	58
31XX	**Equity (note6(g)(q)):**				
3100	Common stock	1,905,867	9	1,905,867	8
3200	Capital surplus	377,460	2	368,144	2
	Retained earnings:				
3310	Legal reserve	2,416,160	11	2,015,786	8
3350	Unappropriated earnings	4,010,254	19	4,866,403	20
		6,426,414	30	6,882,189	28
3400	Other equity	896,922	4	847,854	4
	Total equity	9,606,663	45	10,004,054	42
	Total liabilities and equity	**$ 21,498,631**	**100**	**23,971,861**	**100**

December 31, 2021 **December 31, 2020**

See accompanying notes to parent company only financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar, Except Earnings Per Share)

		2021		2020	
		Amount	%	Amount	%
4000	**Operating Revenues (note6(s) and 7):**				
4520	Construction revenue	$ 22,860,524	99	33,669,389	99
4600	Service and design revenue etc.	199,011	1	201,059	1
	Operating revenues, net	23,059,535	100	33,870,448	100
5000	**Operating costs (note6(d)(k)(n)(o), 7 and 12):**				
5520	Construction cost	19,235,385	84	28,410,965	84
5600	Service and design cost etc.	75,976	-	66,753	-
	Total operating costs	19,311,361	84	28,477,718	84
	Gross profit from operations	3,748,174	16	5,392,730	16
5910	Less: Unrealized gain from sale	25,971	-	23,590	-
	Gross profit from operations, net	3,722,203	16	5,369,140	16
	Operating expenses (note6(c)(k)(n)(o)(t), 7 and 12):				
6100	Selling expenses	27,285	-	37,216	-
6200	Administrative expenses	759,749	3	902,822	3
6300	Research and development expenses	30,000	-	34,723	-
6450	Reversal of expected credit losses	(362)	-	(367)	-
	Total operating expenses	816,672	3	974,394	3
	Net operating income	2,905,531	13	4,394,746	13
	Non-operating income and expenses:				
7010	Other income (note6(b)(g)(u) and 7)	33,547	-	56,002	-
7020	Other gains and losses (note6(u))	196,050	1	225,357	1
7100	Interest income(note6(u) and 7)	63,363	-	72,944	-
7510	Interest expense (note6(n)(u) and 7)	(6,863)	-	(6,703)	-
7375	Share of profit of subsidiaries, associations and joint ventures accounted for using equity method (note6(h))	212,525	1	223,929	1
	Total non-operating income and expenses	498,622	2	571,529	2
7900	**Net income from continuing operations before tax**	3,404,153	15	4,966,275	15
7950	Less: Income tax expenses (note6(p))	634,678	3	932,971	3
8200	**Net income**	2,769,475	12	4,033,304	12
8300	**Other comprehensive income(note6(g)(o)(p)):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains (losses) on remeasurements of defined benefit plans	17,388	-	(37,279)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	67,418	-	(93,061)	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	814	-	261	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	3,478	-	(7,456)	-
	Items that may not be reclassified subsequently to profit or loss	82,142	-	(122,623)	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign operation	(18,175)	-	9,868	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(3,810)	-	1,057	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(3,635)	-	1,974	-
	Items that may be reclassified subsequently to profit or loss	(18,350)	-	8,951	-
8300	**Other comprehensive income**	63,792	-	(113,672)	-
8500	**Comprehensive income**	$ 2,833,267	12	3,919,632	12
9750	**Basic earnings per share (in dollars)(note6(r))**	$	14.53		21.16
9850	**Diluted earnings per share (in dollars)(note6(r))**	$	14.36		20.83

See accompanying notes to parent company only financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar)

	Share capital		Retained earnings			Other equity			
	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity	Total equity
Balance at January 1, 2020	$ 1,905,867	373,561	1,730,497	3,625,577	5,356,074	(111,603)	1,043,567	931,964	8,567,466
Net income	-	-	-	4,033,304	4,033,304	-	-	-	4,033,304
Other comprehensive income	-	-	-	(29,562)	(29,562)	8,951	(93,061)	(84,110)	(113,672)
Total comprehensive income	-	-	-	4,003,742	4,003,742	8,951	(93,061)	(84,110)	3,919,632
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	285,289	(285,289)	-	-	-	-	-
Cash dividends	-	-	-	(2,477,627)	(2,477,627)	-	-	-	(2,477,627)
Other changes in capital surplus:									
Changes in equity of associates and joint ventures accounted for using equity method	-	(5,417)	-	-	-	-	-	-	(5,417)
Balance on December 31, 2020	1,905,867	368,144	2,015,786	4,866,403	6,882,189	(102,652)	950,506	847,854	10,004,054
Net income	-	-	-	2,769,475	2,769,475	-	-	-	2,769,475
Other comprehensive income	-	-	-	14,724	14,724	(18,350)	67,418	49,068	63,792
Total comprehensive income	-	-	-	2,784,199	2,784,199	(18,350)	67,418	49,068	2,833,267
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	400,374	(400,374)	-	-	-	-	-
Cash dividends	-	-	-	(3,239,974)	(3,239,974)	-	-	-	(3,239,974)
Other changes in capital surplus:									
Changes in equity of associates and joint ventures accounted for using equity method	-	9,111	-	-	-	-	-	-	9,111
Overdue unclaimed dividend transferred in	-	205	-	-	-	-	-	-	205
Balance on December 31, 2021	$ 1,905,867	377,460	2,416,160	4,010,254	6,426,414	(121,002)	1,017,924	896,922	9,606,663

See accompanying notes to parent company only financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar)

	2021	2020
Cash flows from (used in) operating activities:		
Income before income tax	$ 3,404,153	4,966,275
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	29,779	25,485
Amortization expense	1,184	1,038
Reversal of expected credit losses	(362)	(367)
Net profit on financial assets measured at fair value through profit or loss	(194,990)	(285,777)
Interest expense	6,863	6,703
Interest income	(63,363)	(72,944)
Dividend income	(12,273)	(43,697)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(212,525)	(223,929)
Gains from disposal of property, plant and equipment	(60)	(2,755)
Gains on disposal of investments	(31,382)	-
Unrealized profit from sale	25,971	23,590
Total adjustments to reconcile loss	(451,158)	(572,653)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in current contract assets	(1,365,582)	(380,575)
Decrease (Increase) in notes receivable	5,011	(4,022)
Decrease (Increase) in accounts receivable	4,097,638	(2,788,140)
Decrease in accounts receivable－related parties	1,803	42,860
Increase in inventories	(8,962)	(14,636)
(Increase) decrease in prepayments	(115,413)	406,918
Decrease (increase) in other current assets	11,228	(9,249)
Subtotal of changes in operating assets	2,625,723	(2,746,844)
Changes in operating liabilities:		
Increase in current contract liabilities	351,272	533,149
Increase in notes payable	3,225	46,720
(Decrease) increase in notes payable－related parties	(5,983)	5,983
(Decrease) increase in accounts payable	(1,648,048)	1,680,335
(Decrease) increase in accounts payable－related parties	(159,913)	135,939
(Decrease) increase in current provisions	(7,596)	2,665
(Decrease) increase in other current liabilities	(175,794)	208,594
(Decrease) increase in net defined benefit liability	(132,849)	751
Subtotal of changes in operating liabilities	(1,775,686)	2,614,136
Total changes in operating assets and liabilities	850,037	(132,708)
Total adjustments	398,879	(705,361)
Cash inflow generated from operations	3,803,032	4,260,914
Interest received	58,885	76,083
Interest paid	(564)	(405)
Income taxes paid	(971,583)	(928,652)
Net cash flows from operating activities	2,889,770	3,407,940
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through profit or loss	3,251	-
Acquisition of financial assets at fair value through profit or loss	(26,408)	(392)
Proceeds from disposal of financial assets at fair value through profit or loss	41,532	-
Acquisition of investments accounted for using equity method	(1,685,373)	(297,130)
Proceeds from disposal of investments accounted for using equity method	535	-
Acquisition of property, plant and equipment	(451,855)	(7,965)
Proceeds from disposal of property, plant and equipment	77	6,934
Increase in refundable deposits	(2,370)	(2,816)
Acquisition of intangible assets	(19,086)	(1,456)
Decrease in long-term other receivables－related parties	42,104	3,746
Decrease in other financial assets	66,253	956,087
Increase in other non-current assets	(101)	(104,727)
Dividends received	174,235	685,541
Net cash flows from (used in) investing activities	(1,857,206)	1,237,822
Cash flows from (used in) financing activities:		
Increase in guarantee deposits received	19,404	4,520
Payment of lease liabilities	(16,973)	(15,702)
Cash dividends paid	(3,239,974)	(2,477,627)
Overdue unclaimed dividends transferred to capital surplus	205	-
Net cash flows used in financing activities	(3,237,338)	(2,488,809)
Net (decrease) increase in cash and cash equivalents	(2,204,774)	2,156,953
Cash and cash equivalents at beginning of period	6,506,029	4,349,076
Cash and cash equivalents at end of period	$ 4,301,255	6,506,029

See accompanying notes to parent company only financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

(1) Company history

United Integrated Services Co., Ltd. (hereinafter referred to as the "Company") was incorporated as a limited company under the provisions of the Ministry of Economic Affairs, R.O.C on September 13, 1982, as United Technology And Engineering Co., Ltd.. The Company reincorporated as United Linkfast Co., Ltd. on March 14, 1990. On October 30, 1990, the Company merged with Linkfast System Co., Ltd. The surviving company was United Linkfast Co., Ltd., and renamed as United Integrated Services Co., Ltd. on May 29, 2002. The registered address of the Company was 6F., No.297 Sec.6, Roosevelt Rd., Wenshan Dist., Taipei City, Taiwan(R.O.C). On July 29, 2003, the Company merged with TAI-QUN Technology Co., Ltd. through the cash consideration method. The surviving company was United Integrated Services Co., Ltd..

The Company and its subsidiaries (collectively referred hereinafter as the "Group") are primarily engaged in: (1) Contracting various running water projects, instrumental control projects, refrigerating and air conditioning projects, installation of clean rooms and the related transactions and manufacturing of supplies. (2) Traffic surveillance & control system engineering building, factory computer control monitoring systems, engineering environment monitoring systems, the design and installation of engineering toll collection systems and related supply transactions. (3) Various electrical and mechanical engineering contracts for transmission and distribution of electric power. (4) The design, installation, maintenance and trading of related equipment of various computerized automatic engineering monitoring systems. (5) Contracting of various computer and communication system integration projects and the manufacturing and trading of related software and hardware. (6) Installation and design of controlling equipment in computer rooms. (7) Technical advisory services for planning and designing of projects. (8) Importing restrained telecom radio frequency equipment.

(2) Approval date and procedures of the financial statements

These parent company only financial statements were authorized for issuance by the Board of Directors on March 23, 2022.

(3) New standards, amendments and interpretations adopted:

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

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

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

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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

The Company's adoption of the new amendments, effective for annual period beginning on January 1, 2022, are expected to have the following impacts:

(i) Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"

The amendments clarify that the 'costs of fulfilling a contract' comprises the incremental costs and an allocation of other direct costs. Those amendments shall apply to contracts for which it has not yet fulfilled all its obligations on January 1, 2022. The Company estimated the application of the amendments resulting in the in the provision and the retained earnings to increase and decrease by $0 thousand, respectively, on January 1, 2022.

(ii) Other amendments

The following amendments are not expected to have a significant impact on the Company's consolidated financial statements.

● Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"

● Annual Improvements to IFRS Standards 2018－2020

● Amendments to IFRS 3 "Reference to the Conceptual Framework"

The estimated impact of adopting the new IFRS may change due to future changes in circumstances or conditions.

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

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	Effective date to be determined by IASB

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(4) Summary of significant accounting policies

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

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(b) Basis of preparation

(i) Basis of measurement

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

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

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

3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

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

(Continued)

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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

- an investment in equity securities designated as at fair value through other comprehensive income;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

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

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

(Continued)

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

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

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

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

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

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

An entity shall classify a liability as current when:

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

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

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

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

The Company is mainly engaged in the planning, designation and construction contracting of various projects. Its business cycle is about three to five years. Due to assets and liabilities related to the engineering business, are based on operating cycle as the standard for dividing current or non-current.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in fair value. The definition of time deposit within 3 months is similar to that of cash equivalent; however, the purpose of holding time deposit is for short term cash commitment rather than investment.

(f) Financial instruments

(i) Financial assets

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

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

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

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

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

3) Fair value through profit or loss (FVTPL)

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

(Continued)

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

4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI, accounts receivable and contract assets.

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

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

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

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

The Company considers a financial asset to be in default when the financial asset is more than 12 months past due, or the debtor is unlikely to pay its credit obligations to the Company in full.

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

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

・significant financial difficulty of the borrower or issuer;

・a breach of contract such as a default or being more than 12 months past due;

・the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

6) Derecognition of financial assets

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

(Continued)

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

(ii) Financial liabilities

1) Financial liabilities

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

2) Derecognition of financial liabilities

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

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

3) Offsetting of financial assets and liabilities

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

(g) Inventories

The cost of inventories consists of all costs of purchase, conversion, and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories includes an appropriate share of fixed production overhead based on normal capacity and allocated variable production overhead based on actual output. However, unallocated fixed production overhead arising from lower or idle capacity is recognized in cost of goods sold during the period. If actual capacity is higher than normal capacity, fixed production overhead should be allocated based on actual capacity. The method of valuing inventories is the weighted average method.

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period. When the cost of inventories is higher than the net realizable value, inventories are written down to net realizable value, and the write down amount is charged to current year's cost of goods sold. If net realizable value increases in the future, the cost of inventories is reversed within the original write down amount, and such reversal is treated as a reduction of cost of goods sold.

(Continued)

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

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

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

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

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

(i) Subsidiaries

The Company accounts the investee companies that it possesses control using the equity. Net income, other comprehensive income, and shareholder's equity in the financial reports of the Company and the net income, other comprehensive income, and shareholder's equity that belongs to the owners of parent in the consolidated financial reports should be the same.

The Company accounts the changes in equity, under the condition that control is still present, as equity transactions between the proprietors.

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(Continued)

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

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

1)	Buildings	5~50 years
2)	Machinery	3~7 years
3)	Plant equipment	3~50 years
4)	Transportation equipment	3~5 years
5)	Office equipment	3~10 years
6)	Leasehold improvements	5 years

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

(k) Leases

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

(i) As a lessee

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

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

(Continued)

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- there is any lease modifications

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

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

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

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

(Continued)

From January 1, 2021, when the basis for determining future lease payments changes as required by interest rate benchmark reform, the Company will remeasure the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

(ii) As a leasor

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

(l) Intangible assets

(i) Recognition and measurement

Other intangible assets, including computer software, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortization

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

The estimated useful lives for current and comparative periods are as follows:

Computer software	2~10 years

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

(m) Impairment of non-financial assets

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

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

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

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

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

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

(n) Provisions

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

The Company shall provide one-thousandth of the total contract amounts for the completed project within one year of the period-end settlement for the project warranty reserve. When the actual expenditure occurs, the provision is reversed, and if there is a deficiency, it is listed as the annual expense.

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

(o) Revenue recognition

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

(i) Sale of goods

The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(ii) Consulting Services

The Company is engaged in providing construction consulting and design services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the surveys of work performed.

(iii) Construction contracts

The Company enters into contracts to design and install constructions. Because its customer controls the asset as it is being constructed, the Company recognizes revenue over time basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed and variable amounts. Considering the progress of a public construction is highly susceptible to factors outside the Company's control and, therefore, completion bonus is usually constrained, the Company recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Company has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

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

(Continued)

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

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

For constructions, the Company offers a standard warranty to provide assurance that they comply with agreed-upon specifications and has recognized warranty provisions for this obligation.

(p) Contract costs

(i) Incremental costs of obtaining a contract

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

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

(ii) Costs to fulfil a contract

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

- The costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;
- The costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- The costs are expected to be recovered.

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

(Continued)

(q) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short term employee benefits

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

(r) Income tax

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

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

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

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

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

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

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

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

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

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

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

    1) the same taxable entity; or

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

(Continued)

(s) Earnings per share

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

(t) Operating segments

The Company has disclosed segment information in the consolidated financial statements, so it is not necessary to disclose such information in the parent company only financial statements.

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

The preparation of parent company only financial statements requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimations..

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

(a) Judgment of whether the Company has substantive control over its investees, please refer to the consolidated financial statement for the year ended December 31, 2021.

(b) Judgment regarding significant influence of investees

The Company has less than 20% of the voting or potential voting rights of Wholetech System Hitech Limited, JG Environmental Technology Co., Ltd. and Eco Energy Corporation. However, the Company has determined that it has significant influence because it has representation on the board of Wholetech System Hitech Limited, JG Environmental Technology Co., Ltd. and Eco Energy Corporation.

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

(a) Impairment assessment of accounts receivable

The Company has estimated the allowance for loss on trade receivable that is based on the risk of default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating impairments and the selected inputs. For relevant assumptions and input values, please refer to Note 6 (c).

(b) Revenue recognition

The Company recognizes contract revenues based on the degree of completion on construction contracts; degree of completion is calculated with contract costs incurred to date as a percentage of estimated total contract costs. The Company considers the nature of each project, the estimated construction period, the project item, the construction process, the construction method and the estimated amount of the subcontracts when estimating total contract costs. Any changes in the estimates above may result in a significant adjustment to the estimated amount., please refer to Note 6 (s).

(c) Fair value of financial instruments

The fair value of financial instruments in non-active markets or without open market quotes is determined by evaluation models or counterparty quotations. When using the evaluation model to determine fair value, all models only use observable data as input values without artificial adjustment. The observable input value is based on the principle of long-term stable market-used parameters to avoid differences in cross-period financial reporting due to changes in data sources. The model must be repeatedly adjusted and verified to ensure that the output is sufficient to properly reflect the value of the asset.

For detailed information on the main assumptions used in determining the fair value of the financial instruments and detailed sensitivity analysis of these assumptions, please refer to Note 6 (v).

(d) Measurement of defined benefit obligations

Defined benefit costs and net defined benefit liabilities (assets) under defined benefit pension plans are calculated using the Projected Unit Credit Method. The appropriate actuarial assumptions include the discount rate, employee turnover rate, and future salary increase rate. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and liability. Please refer to Note6 (o) for the material actuarial assumptions and sensitivity analysis for actuarial calculations.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

		December 31, 2021	December 31, 2020
Cash on hand and petty cash	$	1,482	3,075
Demand deposits		2,211,331	3,641,873
Check deposits		1,242	1,695
		2,087,200	2,859,386
Cash and cash equivalents in the statement of cash flow	**$**	**4,301,255**	**6,506,029**

Please refer to note 6 (v) for the disclosure of the sensitivity analysis and interest rate risk of the financial assets and liabilities of the Company.

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(b) Current financial assets measured at fair value through profit or loss

	December 31, 2021	December 31, 2020
Financial asset measured at fair value through profit or loss:		
Stock listed on domestic markets	$ 252,646	236,590
Stocks unlisted on domestic markets	68,687	68,687
Valuation adjustment	389,628	194,613
Total	$ 710,961	499,890

For the years ended December 31, 2021 and 2020, the Company recognized dividend income from the above financial assets measured at fair value through profit or loss of $12,273 thousand and $1,564 thousand, respectively.

(c) Notes and accounts receivable, net

	December 31, 2021	December 31, 2020
Notes receivable－unrelated parties	$ 870	5,881
Accounts receivable－unrelated parties	2,185,949	6,283,587
Accounts receivable－related parties	1,486	3,289
Less: Loss allowance	86,452	86,814
Total	$ 2,101,853	6,205,943

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

	December 31, 2021		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	$ 2,101,583		-
1 to 60 days past due	273	1%	3
More than one year past due	86,449	100%	86,449
	$ 2,188,305		86,452

	December 31, 2020			
	Gross carrying amount		Weighted-average expected credit loss rate	Loss allowance provision
Current	$	6,169,836		-
1 to 60 days past due		17,969	1%	180
61 to 120 days past due		18,503	1%	185
More than one year past due		86,449	100%	86,449
	$	6,292,757		86,814

The movement in the allowance for notes and accounts receivable were as follows:

		2021	2020
Balance at January 1	$	86,814	87,181
Gain on reversal of impairment loss recognized		(362)	(367)
Balance at December 31	$	86,452	86,814

The Company recognized the allowance for notes and accounts receivable based on the nature of the industry, historical payment behavior and the credit rating of customers.

The Company did not provide any notes and accounts receivable as collaterals.

(d) Inventories

	December 31, 2021			
	Cost		Allowance for Impairment	Carrying Amount
Raw materials	$	62,706	(5,895)	56,811
Work in progress		24,405	(22,626)	1,779
Finished goods		16,594	(9,557)	7,037
Merchandise		5,941	(5,941)	-
Total	$	109,646	(44,019)	65,627

	December 31, 2020			
	Cost		Allowance for Impairment	Carrying Amount
Raw materials	$	50,367	(2,995)	47,372
Work in progress		22,093	(20,608)	1,485
Finished goods		16,866	(9,058)	7,808
Merchandise		6,805	(6,805)	-
Total	$	96,131	(39,466)	56,665

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Notes to the Financial Statements

The reversal (losses) of inventory write-down to net realizable value amounted to ($4,553) thousand and $5,018 thousand, respectively, for the years ended December 31, 2021, and 2020. In addition, the loss on inventory disposal amounted to $0 thousand and $5,570 thousand, respectively, for the years ended December 31, 2021, and 2020. These changes are recognized as adding or subtracting the cost of goods sold.

The Company did not provide any inventories as collaterals.

(e) Prepayments

		December 31, 2021	December 31, 2020
Domestic purchase of materials	$	266,250	146,018
Foreign purchases of materials		382,773	354,304
Clean and safety fee		35,340	59,256
Prepaid insurance		24,281	15,998
Prepaid technical service fee		-	26,803
Others		12,397	3,249
Total	**$**	**721,041**	**605,628**

(f) Non-current financial assets measured at fair value through profit or loss

		December 31, 2021	December 31, 2020
Financial assets measured at fair value through profit or loss:			
Stocks unlisted on domestic markets	$	31,544	34,795
Valuation adjustments		(28,015)	(27,990)
Total	**$**	**3,529**	**6,805**

(g) Non-current financial assets measured at fair value through other comprehensive income

		December 31, 2021	December 31, 2020
Equity instruments measured at fair value through other comprehensive income			
Unlisted stocks (overseas)	$	1,008,212	1,008,212
Valuation adjustment		1,017,924	950,506
Total	**$**	**2,026,136**	**1,958,718**

(i) The equity instrument investment of the Company is a long-term strategic investment and is not held for trading, which has been designated as measured at fair value through other comprehensive income. In September 2020, the equity instrument investments declared dividends amounting to 42,133 thousand and be claimed in December 2020. There was no such situation for the year ended December 31, 2021.

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(ii) The changes in valuation adjustment of financial assets measured at fair value through other comprehensive income were as follows:

		2021	2020
Balance at January 1	$	950,506	1,043,567
Add: Changes for the period		67,418	(93,061)
Balance at December 3l	$	1,017,924	950,506

(h) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date was as follows:

		December 31, 2021	December 31, 2020
Subsidiary	$	3,120,284	1,447,413
Associates		874,867	849,145
Total	$	3,995,151	2,296,558

A summary of the Company's financial information for credit balance on investments accounted for using the equity method at the reporting date was as follows:

		December 31, 2021	December 31, 2020
Subsidiary	$	29,303	28,282

(i) Subsidiary

Please refer to the consolidated financial statement for the year ended December 31, 2021.

(ii) Associates

1) Affiliate which was material to the Company consisted of the followings:

Name of Affiliate	Nature of Relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights	
			December 31, 2021	December 31, 2020
Ablerex electronics co., Ltd.	Selling and Manufacturing of UPS	Taiwan	33.30%	33.30%

The fair value of the investment in associates which are publicly traded was as follows:

		December 31, 2021	December 31, 2020
Ablerex electronics co., Ltd.	$	589,719	590,468

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UNITED INTEGRATED SERVICES CO., LTD.

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A summary of the financial information of significant associates was as follows:

		December 31, 2021	December 31, 2020
Current assets	$	2,406,092	2,003,389
Non-current assets		972,575	963,721
Current liabilities		(1,751,250)	(1,351,435)
Non-current liabilities		(120,431)	(134,423)
Net assets	$	1,506,986	1,481,252
Net assets attributable to non-controlling interests	$	13,878	13,538
Net assets attributable to investee	$	1,493,108	1,467,714

		2021	2020
Operating revenue	$	2,984,677	2,361,923
Net income from continuing operations	$	76,511	44,370
Other comprehensive income		(5,778)	481
Total comprehensive income	$	70,733	44,851
Total comprehensive income attributable to non-controlling interests	$	339	876
Total comprehensive income attributable to investee	$	70,394	43,975

		2021	2020
Share of net assets of associate attributable to the Company as of January 1	$	490,473	490,820
Total comprehensive income attributable to the Company		23,444	14,645
Adjustments for using equity method		-	(6)
Dividends from associate		(14,987)	(14,986)
Share of net assets of associate attributable to the Company as of December 31		498,930	490,473
Add: Goodwill		116	116
Ending balance of net assets of associate attributable to the Company	$	499,046	490,589

2) Insignificant associates

The Company's financial information for investments accounted for using the equity method that are individually insignificant were as follows:

		December 31, 2021	December 31, 2020
Carrying amount of individually insignificant associate's equity	$	375,821	358,556

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

	2021	2020
Attributable to the Company:		
Income from continuing operations	$ 43,900	36,906
Other comprehensive income	(1,172)	1,213
Total comprehensive income	**$ 42,728**	**38,119**

In 2021 and 2020, the preparation of the financial statements for the investee companies under the equity method was evaluated based on the auditors' reports of the investee companies. For the years ended December 31, 2021 and 2020, the share of profit of associations accounted for using equity method amounted to $69,168 thousand and $51,446 thousand, respectively.

(iii) Guarantee

The Company did not provide any investment accounted for using equity method as collaterals.

(i) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2021 and 2020, were as follows:

	Land	Buildings	Machinery	Plant equipment	Transportation Equipment	Office equipment	Leasehold Improvements	Total
Cost or deemed cost:								
Balance at January 1, 2021	$ 396,813	60,840	45,444	156,387	8,699	54,856	2,076	725,115
Additions	316,418	124,742	81	6,302	3,880	432	-	451,855
Disposal	-	-	(1,593)	-	(635)	(183)	-	(2,411)
Reclassification	61,876	42,518	-	-	-	-	-	104,394
Balance at December 31, 2021	**$ 775,107**	**228,100**	**43,932**	**162,689**	**11,944**	**55,105**	**2,076**	**1,278,953**
Balance at January 1, 2020	$ 398,538	63,843	53,767	156,835	8,341	52,064	2,076	735,464
Additions	-	-	1,391	-	663	5,911	-	7,965
Disposal	(1,725)	(3,003)	(9,714)	(448)	(305)	(3,119)	-	(18,314)
Balance at December 31, 2020	**$ 396,813**	**60,840**	**45,444**	**156,387**	**8,699**	**54,856**	**2,076**	**725,115**
Accumulated depreciation and impairment loss:								
Balance at January 1, 2021	$ 1,160	35,407	41,061	47,237	5,151	45,984	2,049	178,049
Depreciation	-	4,291	1,162	4,517	1,191	1,589	27	12,777
Disposal	-	-	(1,577)	-	(634)	(183)	-	(2,394)
Balance at December 31, 2021	**$ 1,160**	**39,698**	**40,646**	**51,754**	**5,708**	**47,390**	**2,076**	**188,432**
Balance at January 1, 2020	$ 1,160	35,236	48,889	43,471	4,452	47,221	1,974	182,403
Depreciation	-	1,428	1,248	4,170	996	1,864	75	9,781
Disposal	-	(1,257)	(9,076)	(404)	(297)	(3,101)	-	(14,135)
Balance at December 31, 2020	**$ 1,160**	**35,407**	**41,061**	**47,237**	**5,151**	**45,984**	**2,049**	**178,049**
Carrying amounts:								
Balance at December 31, 2021	**$ 773,947**	**188,402**	**3,286**	**110,935**	**6,236**	**7,715**	**-**	**1,090,521**
Balance at January 1, 2020	**$ 397,378**	**28,607**	**4,878**	**113,364**	**3,889**	**4,843**	**102**	**553,061**
Balance at December 31, 2020	**$ 395,653**	**25,433**	**4,383**	**109,150**	**3,548**	**8,872**	**27**	**547,066**

The property, plant and equipment of the Company had not been pledged as collaterals.

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Notes to the Financial Statements

(j) Right-of-use assets

The Company leases many assets including buildings and office equipment. Information about leases for which the Company as a lessee was presented below:

	Buildings	Office Equipment	Total
Cost:			
Balance at January 1, 2021	$ 40,413	239	40,652
Additions	37,306	-	37,306
Write-off	(4,129)	-	(4,129)
Balance at December 31, 2021	**$ 73,590**	**239**	**73,829**
Balance at January 1, 2020	$ 27,174	990	28,164
Additions	18,671	1,453	20,124
Write-off	(5,432)	(2,204)	(7,636)
Balance at December 31, 2020	**$ 40,413**	**239**	**40,652**
Accumulated depreciation:			
Balance at January 1, 2021	$ 20,896	80	20,976
Depreciation	16,883	119	17,002
Write-off	(4,129)	-	(4,129)
Balance at December 31, 2021	**$ 33,650**	**199**	**33,849**
Balance at January 1, 2020	$ 8,562	438	9,000
Depreciation	15,050	654	15,704
Write-off	(2,716)	(1,012)	(3,728)
Balance at December 31, 2020	**$ 20,896**	**80**	**20,976**
Carrying amount:			
Balance at December 31, 2021	**$ 39,940**	**40**	**39,980**
Balance at January 1, 2020	**$ 18,612**	**552**	**19,164**
Balance at December 31, 2020	**$ 19,517**	**159**	**19,676**

(k) Intangible assets

The cost and amortization of the intangible assets of the Company for the years ended December 31, 2021 and 2020, were as follows:

	Computer software
Costs:	
Balance at January 1, 2021	$ 11,783
Additions	19,086
Balance at December 31, 2021	**$ 30,869**
Balance at January 1, 2020	$ 10,327
Additions	1,456
Balance at December 31, 2020	**$ 11,783**

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Notes to the Financial Statements

		Computer software
Accumulated amortization:		
Balance at January 1, 2021	$	8,430
Amortization		1,017
Balance at December 31, 2021	$	9,447
Balance at January 1, 2020	$	7,622
Amortization		808
Balance at December 31, 2020	$	8,430
Carrying value:		
Balance at December 31, 2021	$	21,422
Balance at January 1, 2020	$	2,705
Balance at December 31, 2020	$	3,353

For the years ended December 31, 2021 and 2020, the amortization expense amounted to $1,017 thousand and $808 thousand, respectively. These expenses were included in operating costs and operating expenses in the statements of comprehensive income.

(l) Other current assets and non-current assets

(i) The other current assets of the Company were as follows:

		December 31, 2021	December 31, 2020
Other financial assets	$	3,431,163	3,497,416
Others		15,736	24,740
	$	3,446,899	3,522,156

Other financial assets were time deposits with a maturity of three to twelve months.

(ii) The other non-current assets of the Company were as follows:

		December 31, 2021	December 31, 2020
Other financial assets	$	850	850
Guarantee deposits paid		9,880	7,510
Prepayments for land and buildings		-	104,394
Others		1,969	2,035
	$	12,699	114,789

Other financial assets were mainly time deposits with a maturity of more than twelve months. The prepayments for land and buildings were the prepayments of purchase price of properties, deed tax, stamp tax, fees and other prepayments related to the properties as a headquarters in 2020.

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Notes to the Financial Statements

(m) Current provisions

	Warranty
Balance at January 1, 2021	$ 19,408
Provisions made during the year	9,339
Provisions used during the year	(16,935)
Balance at December 31, 2021	$ 11,812
Balance at January 1, 2020	$ 16,743
Provisions made during the year	11,218
Provisions used during the year	(8,553)
Balance at December 31, 2020	$ 19,408

The Company determined provisions for warranty based on 0.1% of the value of the construction contracts completed within one year. The provisions for warranty were deducted as incurred, otherwise, it was recognized as an expense for current period if there was a deficiency.

(n) Lease liabilities

The Company's lease liabilities were as follow:

	December 31, 2021	December 31, 2020
Current	$ 22,840	11,879
Non-current	$ 17,265	7,893

For the maturity analysis, please refer to note 6 (v).

The amounts recognized in profit or loss were as follows:

	2021	2020
Interest on lease liabilities	$ 331	301
Expenses relating to short-term leases	$ 3,705	7,543

The amounts recognized in the statement of cash flows for the Company was as follows:

	2021	2020
Total cash outflow for leases	$ 21,009	23,546

(i) Real estate leases

The Company leases buildings for its office space. The leases of office space typically run for a period of 2 to 4 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract-term.

Some leases provide for additional rent payments that are based on changes in local price indices. Some also require the Company to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

Some leases of office buildings contain extension or cancellation options. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Company leases office equipment, with lease terms of 2 to 4 years. In some cases, the Company has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Company also leases buildings and office equipment. These leases are short-term or of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(o) Employee benefits

(i) Defined benefit plans

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

		December 31, 2021	December 31, 2020
Present value of the defined benefit obligations	$	(420,853)	(435,658)
Fair value of plan assets		244,108	108,676
Net defined benefit liabilities	**$**	**(176,745)**	**(326,982)**

The Company's employee benefit liabilities were as follows:

		December 31, 2021	December 31, 2020
Short-term compensated absence liabilities (Other current liabilities)	**$**	**25,659**	**24,537**

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Notes to the Financial Statements

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

1) Composition of plan assets

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

The Company's Bank of Taiwan labor pension reserve account balance amounted to $244,108 thousand at the end of the reporting period. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

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

	2021	2020
Defined benefit obligations at January 1	$ 435,658	393,352
Current service costs and interest cost	3,247	6,045
Remeasurements of the net defined benefit liabilities		
－Actuarial (gain) loss arising from changes in financial assumptions	(3,925)	42,080
－Actuarial gain arising from experience adjustments	(11,496)	(3,000)
Benefits paid	(2,631)	(2,819)
Defined benefit obligations at December 31	**$ 420,853**	**435,658**

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

3) Movements in defined benefit plan assets

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

	2021	2020
Fair value of plan assets at January 1	$ 108,676	104,400
Interest income	389	2,377
Remeasurements of the net defined benefit liabilities		
－Return on plan assets excluding interest income	1,967	1,801
Contributions	135,707	2,917
Benefits paid	(2,631)	(2,819)
Fair value of plan assets at December 31	$ 244,108	108,676

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
Current service costs	$ 1,709	1,718
Net interest of net liabilities for defined benefit obligations	1,149	1,950
	$ 2,858	3,668

	2021	2020
Operating cost	$ 2,373	3,046
Operating expenses	485	622
	$ 2,858	3,668

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

the Company's remeasurement of the net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
Accumulated amount at January 1	$ 141,548	104,269
Recognized during the period	(17,388)	37,279
Accumulated amount at December 31	$ 124,160	141,548

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

6) Actuarial assumptions

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

	December 31, 2021	December 31, 2020
Discount rate	0.47%	0.35%
Future salary increases rate	2.00%	2.00%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $2,795 thousand.

The weighted average lifetime of the defined benefit plans is 8.08 years.

7) Sensitivity analysis

As of December 31, 2021 and 2020, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligations shall be as follows:

	The impact of defined benefit obligations	
	Increase	Decrease
December 31, 2021		
Discount rate (0.50%)	$ (16,326)	16,223
Future salary increase rate (0.25%)	8,273	(8,073)
December 31, 2020		
Discount rate (0.50%)	(17,757)	13,217
Future salary increase rate (0.25%)	9,006	(8,779)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2021 and 2020.

(ii) Defined contribution plans

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

The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to $33,498 thousand and $31,251 thousand for the years ended December 31, 2021 and 2020, respectively.

(Continued)

(p) Income taxes

(i) Income tax expenses

The components of income tax of the Company in the years 2021 and 2020 were as follows:

		2021	2020
Current tax expense			
Current period	$	637,571	946,206
Adjustment for prior periods		(8,454)	(3,058)
		629,117	943,148
Deferred tax expense (benefit)			
Origination and reversal of temporary differences		5,561	(10,177)
Income tax expense	$	634,678	932,971

There was no income tax expense recognized in equity for the years ended December 31, 2021 and 2020.

The amount of income tax expense (benefit) recognized directly in other comprehensive incomefor the years ended December 31, 2021 and 2020 were as follows:

		2021	2020
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans	$	(3,478)	7,456
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation		3,635	(1,974)
	$	157	5,482

Reconciliation of the Company's income tax expense and net income before tax for 2021 and 2020 was as follows:

		2021	2020
Net income before tax	$	3,404,153	4,966,275
Income tax using the Company's domestic tax rate	$	680,831	993,256
Tax- exempt income		(2,455)	(313)
Permanent differences		(50,353)	(56,914)
5% income surtax on undistributed earnings		15,109	-
Income tax adjustments for prior periods		(8,454)	(3,058)
Total	$	634,678	932,971

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2021	December 31, 2020
The court adjudged to pay the payment and related interest expenses	$ 34,556	33,296

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2021 and 2020 were as follows:

Deferred tax liabilities:

	Foreign investment income
Balance at January 1, 2021	$ 95,643
Recognized in profit or loss	12,644
Balance at December 31, 2021	$ 108,287
Balance at January 1, 2020	$ 102,607
Recognized in profit or loss	(6,964)
Balance at December 31, 2020	$ 95,643

Deferred tax assets:

	Defined benefit plans	Unrealized warranty	Loss allowance exceeded the limit	Allowance for inventory valuation	Foreign investment loss	Others	Total
Balance at January 1, 2021	$ 36,902	6,356	4,778	7,893	44,032	65,118	165,079
Recognized in profit or loss	-	(1,519)	8,136	911	4,515	(4,960)	7,083
Recognized in other	(3,478)	-	-	-	-	3,635	157
Balance at December 31, 2021	$ 33,424	4,837	12,914	8,804	48,547	63,793	172,319
Balance at January 1, 2020	$ 29,446	5,823	12,779	8,897	36,609	62,830	156,384
Recognized in profit or loss	-	533	(8,001)	(1,004)	7,423	4,262	3,213
Recognized in other	7,456	-	-	-	-	(1,974)	5,482
Balance at December 31, 2020	$ 36,902	6,356	4,778	7,893	44,032	65,118	165,079

(iii) Assessment of tax

The Company's tax returns for the years through 2019 were assessed by the tax authorities.

(Continued)

(q) Capital and other equity

(i) Common Stock

As of December 31, 2021 and 2020, the Company's authorized capital both amounted to \$3,000,000 thousand with par value of \$10 per share. The Company's issued capital both amounted to \$1,905,867 thousand at December 31, 2021 and 2020.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2021	December 31, 2020
Capital surplus - premium from merger	$ 6,938	6,938
Share premium	49,987	49,987
Convertible bond premium	215,672	215,672
Treasury share transactions	77,158	77,158
Others	27,705	18,389
	$ 377,460	**368,144**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

According to the Company's Article of Incorporation, if the Company has retained earnings according to its annual accounts, it may, after paying all taxes, and making up all past losses, set aside a 10% legal reserve, and a special reserve, if necessary, pursuant to laws, unless the reserve as allocated has equaled the Company's paid-in capital. The remainder, if any, shall be provided as or reversed from special reserve pursuant to laws. The balance, if any, shall be included into the unappropriated accumulated earnings for prior years and allocated as bonuses and dividends to shareholders based on the motion for allocation of earnings proposed by the Board of Directors, then resolved by a shareholders' meeting.

Where the earnings referred in the preceding paragraph are intended to be allocated in cash, the Board of Directors is authorized to allocate the same per special resolution and report it to the shareholders' meeting.

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The Company's dividend policy is based on current and future development plans, considering the investment environment, capital needs, domestic and international competition, taking into account the interests of shareholders and other factors, in order to stabilize business development and protect investors' rights and interests. The dividends to shareholders can be in the form of cash dividend and/or stock dividend; also, the cash dividend is not less than 25% of the total dividend.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution to a resolution by the shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Earnings distribution

For the appropriations of earnings for 2020 and 2019, the amounts of cash dividends to be distributed were $17 and $13 per share in 2021 and 2020, respectively. The related information would be available at the Market Observation Post System website.

(iv) Other equity, net of tax

		Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2021	$	(102,652)	950,506	847,854
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	67,418	67,418
Exchange differences on foreign operations		(18,350)	-	(18,350)
Balance at December 31, 2021	$	(121,002)	1,017,924	896,922
Balance at January 1, 2020	$	(111,603)	1,043,567	931,964
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	(93,061)	(93,061)
Exchange differences on foreign operations		8,951	-	8,951
Balance at December 31, 2020	$	(102,652)	950,506	847,854

(r) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the years ended December 31, 2021 and 2020 were as follows:

(i) Basic earnings per share

		2021	2020
Net income attributable to ordinary shareholders of the Company	$	2,769,475	4,033,304
Weighted average number of ordinary shares		190,587	190,587
Basic earnings per share (in NT dollars)	$	14.53	21.16

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ii) Diluted earnings per share

		2021	2020
Net income attributable to ordinary shareholders of the Company (diluted)	$	2,769,475	4,033,304
Weighted average number of ordinary shares (basic)		190,587	190,587
Effect of potentially dilutive ordinary shares:			
Effect of employee bonuses		2,247	3,074
Weighted average number of ordinary shares (diluted)		192,834	193,661
Diluted earnings per share (in NT dollars)	$	14.36	20.83

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

		2021	2020
Major products/services lines:			
Integrated engineering service	$	22,860,524	33,669,389
Service and design		88,055	82,234
Sales		110,956	118,825
	$	23,059,535	33,870,448
Type of contract:			
Fixed price contract	$	22,948,579	33,751,623
Material-based contract		110,956	118,825
	$	23,059,535	33,870,448

(ii) Contract balances

		December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable	$	2,187,435	6,286,876	3,541,596
Less: allowance for impairment		86,452	86,814	87,181
Total	$	2,100,983	6,200,062	3,454,415
Contract assets-Construction in Progress	$	2,626,321	1,260,739	880,164
Contract liabilities-Construction in Progress	$	6,452,433	6,101,071	5,567,964
Contract liabilities-Merchandise Inventory		679	769	727
Total	$	6,453,112	6,101,840	5,568,691

For details on accounts receivable and allowance for impairment, please refer to note 6 (c).

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Notes to the Financial Statements

The revenue recognized for the years ended December 31, 2021 and 2020 that were included in the contract liabilities balance of sale the merchandise at the beginning of the period were $89 thousand and $0 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. Other significant changes during the period were as follows:

	2021		2020	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Stage of completion measurement	$ -	-	-	-
Contract modification	$ 871,091	557,055	(18,173)	871,605

(t) Employee compensation and directors' remuneration

In accordance with the articles of incorporation the Company should contribute 6% to 10% of the profit as employee compensation and less than 2% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's controlled or affiliated companies who meet certain conditions.

For the years ended December 31, 2021 and 2020, the Company estimated its employee remuneration amounting to $378,000 thousand and $524,000 thousand, and directors' remuneration amounting to $32,400 thousand and $47,000 thousand, respectively. The estimated amounts mentioned above are based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under expenses during 2021 and 2020. Related information would be available at the Market Observation Post System website. The amounts, as stated in 2020 financial statements, are identical to those of the actual distributions in 2021 shareholders' meeting.

(u) Non-operating income and expenses

(i) Interest income

The details of the Company's interest income were as follows:

	2021	2020
Interest income from bank deposits	$ 61,109	70,307
Other interest income	2,254	2,637
Total	**63,363**	**72,944**

(ii) Other income

The details of the Company's other income were as follows:

	2021	2020
Rental income	$ 4,642	4,690
Dividend income	12,273	43,697
Other income－other		
Income from sale of scraps	14,092	6,158
Others	2,540	1,457
Subtotal	16,632	7,615
Total	$ 33,547	56,002

iii) Other gains and losses

The details of the Company's other gains and losses were as follows:

	2021	2020
Gains on disposal of property, plant and equipment	$ 60	2,755
Gain on disposal of investments	31,382	-
Foreign exchange losses	(30,370)	(63,135)
Gains on financial assets at fair value through profit or loss	194,990	285,777
Other gains and losses	(12)	(40)
Total	$ 196,050	225,357

iv) Interest expense

The details of the Company's interest expense were as follows:

	2021	2020
Interest expense - Denstsu Engineering	$ 6,299	6,298
Others	564	405
Total	$ 6,863	6,703

(v) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of December 31, 2021 and 2020, the amounts of the maximum exposure to credit risk were $9,845,001 thousand and $16,217,748 thousand, respectively.

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The Company assesses the financial condition of its customers continuously to reduce the credit risk of accounts receivable and requires its customers to provide guarantees and collateral if it is necessary. The Company monitors and reviews the recoverable amount of the accounts receivable to ensure the uncollectible amount are recognized appropriately as impairment loss. Therefore, the expected credit losses are in the expectation of the Company.

2) Concentration of credit risk

When the transaction of financial instruments is concentrated in a single industry or region, the ability to oblige the contract would be impacted by similar factors, thereby causing concentration of credit risk. As of December 31, 2021 and 2020, notes and accounts receivable concentrated on few counter-parties were as follows:

	December 31, 2021		
Name of client	**Carrying amount**	**the maximum exposure to credit risk**	**%**
Taiwan Semiconductor Manufacturing Co., Ltd.	$ 1,641,189	1,641,189	78.08
Micron Technology Taiwan Co., Ltd.	252,537	252,537	12.02
Total	**$ 1,893,726**	**1,893,726**	**90.10**

	December 31, 2020		
Name of client	**Carrying amount**	**the maximum exposure to credit risk**	**%**
Taiwan Semiconductor Manufacturing Co., Ltd.	$ 804,430	804,430	12.96
Micron Memory Taiwan Co., Ltd.	5,300,959	5,300,959	85.42
Total	**$ 6,105,389**	**6,105,389**	**98.38**

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2021							
Non-derivative financial liabilities							
Notes payable	$ 64,094	64,094	64,094	-	-	-	-
Accounts payable	3,932,819	3,932,819	2,374,221	4,683	136,577	1,405,353	11,985
Accrued expenses (Note)	701,606	701,606	701,606	-	-	-	-
Lease liabilities	40,105	40,686	11,982	11,313	17,391	-	-
Guarantee deposits received	26,067	26,067	-	-	-	26,067	-
	$ 4,764,691	**4,765,272**	**3,151,903**	**15,996**	**153,968**	**1,431,420**	**11,985**

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

		Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2020								
Non-derivative financial liabilities								
Notes payable	$	66,852	66,852	66,852	-	-	-	-
Accounts payable		5,740,780	5,740,780	4,359,932	7,053	41,652	1,288,656	43,487
Accrued expenses (Note)		872,211	872,211	872,211	-	-	-	-
Lease liabilities		19,772	20,082	8,135	3,946	5,004	2,997	-
Guarantee deposits received		6,663	6,663	2,536	2,144	1,689	294	-
	$	6,706,278	6,706,588	5,309,666	13,143	48,345	1,291,947	43,487

Note: Other current liabilities

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk were as follows:

		December 31, 2021			December 31, 2020		
		Foreign currency	Exchange rate (dollars)	TWD	Foreign currency	Exchange rate (dollars)	TWD
Financial assets							
Monetary items							
USD	$	10,176	27.68	281,669	57,139	28.48	1,627,319
CNY		450,677	4.34	1,957,740	423,577	4.38	1,853,997
SGD		2	20.46	45	65	21.56	1,401
Non-monetary items							
Financial assets measured at fair value through other comprehensive income		466,422	4.34	2,026,136	447,503	4.38	1,958,718
Finance liabilities							
Monetary items							
USD		9,359	27.68	259,070	14,790	28.48	421,219
EUR		224	31.32	7,031	1,625	35.02	56,908
JPY		416	0.24	100	8,375	0.28	2,312
CNY		912	4.34	3,962	917	4.38	4,014
SGD		-	-	-	339	21.56	7,309

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value through other comprehensive income, accounts payable and other payables that are denominated in foreign currency. A (weakening) strengthening of 1% of the NTD against the USD, EUR, CNY, SGD and JPY, the Company's net income before tax would have increased (decreased) by $15,754 thousand and $23,928 thousand, and other comprehensive income would have increased (decreased) by $16,209 thousand and $15,670 thousand, for the years ended December 31, 2021 and 2020, respectively. The analysis was performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2021 and 2020, foreign exchange loss (including realized and unrealized portions) amounted to $30,370 thousand and $63,135 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

If the interest rate increases/decreases by 0.25%, the Company's net income will increase/decrease by $15,464 thousand and $20,002 thousand for the years ended December 31, 2021 and 2020, respectively, with all other variable factors remaining constant.

(v) Fair value of financial instruments

1) Fair value hierarchy

To provide disclosure information, the Company classifies the measurement of fair value based on fair value hierarchy which reflects the significance of the inputs during the measurement. The Company categorizes fair value into the following levels:

a) Level 1

Level 1 inputs are quoted prices in active markets for identical financial instruments. An active market is a market in which all the following conditions exist:

i) The items traded within the market are homogeneous.

ii) Willing buyers and sellers can normally be found at any time.

iii) Prices are available to the public.

b) Level 2

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e. derived from prices).

c) Level 3

Level 3 inputs are valuation parameters which are not based on the information available in the market or the quoted price from the counter party. For example, historical volatility used in option pricing models is an unobservable input since it cannot represent the expected value of future volatility of the entire market participants.

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required:

	December 31, 2021				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 714,490	596,339	114,622	3,529	714,490
Financial assets at fair value through other comprehensive income					
Unquoted equity instrument measured at fair value	2,026,136	-	-	2,026,136	2,026,136
Total	$ 2,740,626	596,339	114,622	2,029,665	2,740,626

	December 31, 2020				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 506,695	421,880	78,010	6,805	506,695
Financial assets at fair value through other comprehensive income					
Unquoted equity instrument measured at fair value	1,958,718	-	-	1,958,718	1,958,718
Total	$ 2,465,413	421,880	78,010	1,965,523	2,465,413

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UNITED INTEGRATED SERVICES CO., LTD.

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2) Transfer between Level 1 and Level 2

There were no transfers from Level 1 to Level 2 for the years ended December 31, 2021 and 2020.

3) Reconciliation of Level 3 fair values

		Fair value through profit or loss	Fair value through other comprehensive income	
		Designated at fair value through profit or loss	**Unquoted equity instruments**	**Total**
Balance at January 1, 2021	$	6,805	1,958,718	1,965,523
Total gains and losses				
In profit or loss		(25)	-	(25)
In other comprehensive income		-	67,418	67,418
Cash capital reduction		(3,251)	-	(3,251)
Balance at December 31, 2021	$	3,529	2,026,136	2,029,665
Balance at January 1, 2020	$	6,347	2,051,779	2,058,126
Total gains and losses				
In profit or loss		458	-	458
In other comprehensive income		-	(93,061)	(93,061)
Balance at December 31, 2019	$	6,805	1,958,718	1,965,523

Total gains and losses were recognized in "other gains and losses" and "unrealized gains and losses from financial assets at fair value through other comprehensive income".

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss－equity investments" and "financial assets measured at fair value through other comprehensive income－equity investments".

The equity investments which are lack of active market and categorized into Level 3 have numerous significant unobservable inputs. The significant unobservable inputs of equity investments without active market are independent between each other. Hence, there is no correlation between each significant unobservable input.

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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss－equity investments without an active market	Comparable Company	• Price Book Ratio (Note) • Discount for lack of marketability (Note)	• The higher the ratio, the higher the fair value • The higher the discount, the lower the fair value
Financial assets at fair value through profit or loss－equity investments without an active market	Net asset value method	• Discount for lack of marketability (Note) • Discount for control (Note)	• The higher the discount, the lower the fair value • The higher the controlling discount, the lower the fair value
Financial assets at fair value through other comprehensive income－equity investments without an active market	Comparable Company	• Price Book Ratio (December 31, 2021 and December 31, 2020 were 0.83 and 0.87) • Discount for lack of marketability (December 31, 2021 and December 31, 2020 were 19.66% and 28.82%)	• The higher the ratio, the higher the fair value • The higher the discount, the lower the fair value

Note: As of December 31, 2021 and 2020, the investees had been dissolved or were expected to be liquidated, therefore, the fair value, without the application of parameters, was based on the liquidation value.

5) Fair value measurement in Level 3－sensitivity analysis of reasonably possible alternative assumptions

While under different models or using different parameters may lead to different results, fair value measurement for financial instruments is reasonable.

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The following tables shows the valuation impacts changes in input parameters on Level 3 financial instruments:

	Input	Assumptions	Fair Value through Profit and Loss		Fair value through other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
December 31, 2021						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Discount for lack of marketability	10%	(Note)	(Note)	-	-
Equity investments without an active market	Discount for control	10%	(Note)	(Note)	-	-
Equity investments without an active market	Price Book Ratio	10%	(Note)	(Note)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Discount for lack of marketability	10%	-	-	49,582	(49,582)
Equity investments without an active market	Price Book Ratio	10%	-	-	202,614	(202,614)
December 31, 2020						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Discount for lack of marketability	10%	(Note)	(Note)	-	-
Equity investments without an active market	Discount for control	10%	(Note)	(Note)	-	-
Equity investments without an active market	Price Book Ratio	10%	(Note)	(Note)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Discount for lack of marketability	10%	-	-	79,306	(79,306)
Equity investments without an active market	Price Book Ratio	10%	-	-	195,872	(195,872)

Note: As of December 31, 2021 and 2020, the investees had been dissolved or were expected to be liquidated, therefore, the fair value, without the application of parameters, was based on the liquidation value.

6) Financial instruments not measured at fair value

a) Fair value information

The Company's financial instruments not measured at fair value include cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposits paid, notes and accounts payable, other payables, guarantee deposits received and part of other financial assets, whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required.

b) Valuation techniques

The Company's valuation methods and assumptions used for financial instruments not measured at fair value are as follows:

Since the maturity date is close and the future receipt and reimbursement price is similar to the book value, the fair value of cash and cash equivalents, notes and accounts receivable, other receivables, notes and accounts payable and other payables were measured at book value at the reporting date.

(w) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks.

(ii) Structure of risk management

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

1) Notes and accounts receivable

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is required to conduct management and credit risk analysis for each of its new customers before the terms and conditions of the contract and delivery are set in accordance with the internal credit policy. The internal risk control system assesses the credit quality of customers by considering their financial status, past experiences and other factors. The main credit risk derives from cash and cash equivalents, deposits in banks and in financial institutions. Furthermore, credit risk may derive from customers, including unreceived receivables and committed transaction.

2) Guarantees

As of December 31, 2021, the Company provided a guarantee for contractual obligations to United integrated services (USA) CORP that amounted to $11,292,289 thousand. There is no such situation as of December 31, 2020.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

As of December 31, 2021 and 2020, the Company's unused credit line were amounted to $7,834,117 thousand and $5,969,555 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, and optimizing the return.

1) Currency risk

The Company is a multinational institution and therefore exposes to currency risk deriving from many different currencies, mainly from USD and RMB. The relevant currency risk stems from future commercial transactions, recognized assets and liabilities, and net investments in foreign operating agencies.

2) Interest rate risk

The short-term loans of the Company are debts with floating interest rates. Therefore, changes in market interest rates will lead to changes in the interest rate of short-term loans, resulting in fluctuations of future cash flows.

3) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments as the management of the Company minimizes the risk by holding different investment portfolios.

(x) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

The Company's strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry cycle and the life cycle of products, the Company determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products. The management of the Company periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. In general, the Company implements prudent strategy of risk management.

	December 31, 2021	December 31, 2020
Total liabilities	$ 11,891,968	13,967,807
Less: cash and cash equivalents	4,301,255	6,506,029
Net debt	$ 7,590,713	7,461,778
Total equity	$ 9,606,663	10,004,054
Debt-to-capital ratio	79.02%	74.59%

(y) Cash flows information on acquisition of property, plant and equipment

The supplementary information on acquisition of property, plant and equipment of the Company were as follows:

	2021	2020
Increase in property, plant and equipment	$ 451,855	7,965
Cash payments	$ 451,855	7,965

(7) Related-party transactions

(a) Parent company and ultimate controlling company

United Integrated Services Co., Ltd. is both the Company and the ultimate controlling party of its subsidiaries.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related party and the Company's subsidiaries during the periods covered in the financial statements.

Name of related party	Relationship with the Company
Hanxuan Energy Co.,Ltd	Subsidiary
Hunter Energy Co.,Ltd.	Subsidiary
UNITED INTEGRATED SERVICES (USA) CORP.	Subsidiary
United Integrated Services BVI	Subsidiary
Jiangxi United Integrated Services Ltd.	Subsidiary
United Integrated Services Pte Ltd.	Subsidiary

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Name of related party	Relationship with the Company
Su Yuan (Shanghai) Trading Ltd.	Subsidiary
Suzhou Han Tai System Integrated Ltd.	Subsidiary
Beijing Han He Tang Medical Instrument Ltd.	Subsidiary
Wholetech System Hitech Limited	Investee accounted for using equity method
Ablerex Electronics Co., Ltd.	Investee accounted for using equity method
JG Environmental Technology Co., Ltd.	Investee accounted for using equity method
Eco Energy Corporation	Investee accounted for using equity method
AIRREX Co., Ltd. (Note)	Related party
FU-KUO ENGINEERING CO., Ltd.	Related party
Huayuan Engineering Co., Ltd.	Related party
Dentsu Engineering Co., Ltd.	Related party
Yun Hao Motor Technician Office	Related party
Sheng Yang Integration Co., Ltd.	Related party
All directors, supervisors, general managers and deputy general managers	Key management personnel

Note: The company is not a related party to the Company since September 1, 2021.

(c) Significant transactions with related parties

(i) Operating revenue

The amounts of significant sales by the Company to related parties were as follows:

	2021	2020
Subsidiaries	$ 379,078	202,795
Key management personnel	16	-
Other related parties	3	12
	$ 379,097	202,807

There is no significant difference between the credit terms of the Company and of the same businesses.

(ii) Construction cost

The amounts of purchases by the Company from related parties were as follows:

	2021	2020
Associates	$ 201,636	294,871
Other related parties	129,898	159,403
	$ 331,534	454,274

There is no significant difference between the payment terms of the Company and of the same businesses.

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Notes to the Financial Statements

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2021	December 31, 2020
Accounts receivable	Subsidiaries	$ 1,486	3,289
Other accounts receivable	Subsidiaries	84	93
Long-term receivables－related party (Principal)	Subsidiaries	88,461	130,019
Long-term receivables－related party (Interest)	Subsidiaries	74,456	72,748
		$ 164,487	206,149

(iv) Payables to Related Parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2021	December 31, 2020
Notes payable	Other related parties	$ -	5,983
Accounts payable	Subsidiaries	24,600	25,756
Accounts payable	Associates	55,931	182,412
Accounts payable	Other related parties	11,336	43,612
Other payables	Other related parties -Dentsu Engineering	172,780	166,481
		$ 264,647	424,244

Other payables mentioned above included package fee disbursements, salaries and interests, etc. Please refer note 12 (c) for further information.

(v) Prepayments

The prepayments to related parties were as follows:

	December 31, 2021	December 31, 2020
Associates	$ 2,309	-

(vi) Advance Receipts

The advance receivables due from related parties were as follows:

December 31,	December 31,

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	2021	2020
Subsidiaries	$ 401,600	-

(Continued)

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(vii) Leases

Name of related party	Object	Lease term	Rental income 2021	Rental income 2020
Subsidiaries	5F, No. 3, Ln. 7, Baogao Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	2020.09.01~ 2021.08.31	$ 23	8
Subsidiaries	6F, No. 297, Sec. 6, Roosevelt Rd., Wenshan Dist., Taipei City 116052, Taiwan (R.O.C.)	2020.06.01~ 2021.05.31	23	13
Associates	1F., No.1、3, Ln. 7, Baogao Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	2020.01.01~ 2022.05.31	4,464	4,464
Associates	Parking Space	2020.01.01~ 2022.05.31	72	72
Other related parties	No.18, Aly. 2, Ln. 261, Xinghua Rd., Shanhua Dist., Tainan City 741, Taiwan (R.O.C.)	2017.08.01~ 2020.04.30	-	97
			$ 4,582	4,654

(viii) Other income

	2021	2020
Other related parties	$ -	61

(ix) Interest income

	2021	2020
Subsidiaries	$ 2,254	2,637

(x) Finance costs

	2021	2020
Other related party－Dentsu Engineering	$ 6,299	6,298

(Continued)

(xi) Property transactions

Acquisition of property, plant and equipment

The purchases price of property, plant and equipment purchased from related parties were as follows:

		2021	2020
Key management personnel	$	16,100	-

The Company acquired the land for Tainan Factory from key management personnel of the Company in July 2021. The land area is 1,490 square meters with a total price of $16,100 thousand. As of December 31, 2021, the ownership transfer procedure has been completed, and the purchase price has been paid. The land acquisition price was based on the asset evaluation report from Li Cyuan Real Estate Appraiser Firm. For further description of the property, plant, and equipment, please refer to note 6(i). 。

(xii) Guarantees

As of December 31, 2021, the Company provided a guarantee for contractual obligations to United integrated services (USA) CORP that amounted to $11,292,289 thousand. There is no such situation as of December 31, 2020.

(d) Key management personnel compensation

		2021	2020
Short-term employee benefits	$	132,275	199,944
Post-employment benefits		1,387	1,401
	$	133,662	201,345

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object		December 31, 2021	December 31, 2020
Restricted assets (other non－current assets)	Engineering performance bond	$	850	850

(9) Commitments and contingencies

(a) As of December 31, 2021 and 2020, except for the disclosures of Note 7, the Company's commitments and contingencies were as follows:

(i) As of December 31, 2021 and 2020, guaranteed notes received from construction contractors for performance guarantees or maintenance guarantees amounted to $14,592,968 thousand and $12,006,460 thousand, respectively.

(ii) As of December 31, 2021 and 2020, guaranteed notes issued to construction contractors for performance guarantees or maintenance guarantees amounted to $412,792 thousand and $16,829 thousand, respectively.

(iii) As of December 31, 2021 and 2020, guaranteed notes issued for bank loans and letters of credits amounted to $3,000,000 thousand and $2,000,000 thousand, respectively.

(iv) As of December 31, 2021 and 2020, guaranteed letters offered by banks for contract performance guarantees amounted to $19,019 thousand and $35,615 thousand, respectively.

(v) As of December 31, 2021 and 2020, the total contract price of contracted construction projects amounted to $131,486,739 thousand and $101,292,295 thousand, respectively, and the contract payments received by the Company amounted to $80,151,890 thousand and $58,305,585 thousand, respectively.

(vi) As of December 31, 2021 and 2020, the total subcontract price of subcontracted construction projects amounted to $6,041,990 thousand and $5,335,969 thousand, respectively, and the contract payment paid by the Company amounted to $4,081,420 thousand and $3,636,878 thousand, respectively.

(vii) As of December 31, 2021 and 2020, the outstanding letters of credits issued by the Company for purchasing equipment amounted to $214,223 thousand and $196,240 thousand, respectively.

(viii) As of December 31, 2021 and 2020, guaranteed notes received from lessees for rental of buildings both mounted to $744 thousand and $1,073 thousand, respectively.

(ix) As of December 31, 2021 and 2020, the Company provided guarantees for entities in the same industry amounted to $11,292,289 thousand and $0 thousand, respectively.

(b) Significant contracts

In the Board of Directors meeting on June 12, 2020, the Company decided to enter into a real estate purchase agreement to be used as its headquarters. The total value of contract including tax was $516,950 thousand. As of December 31, 2021, the Company had paid the full amount.

(10) Losses Due to Major Disasters: None.

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(11) Subsequent Events

(a) In the Board of Directors meeting on March 8, 2022, the Company decided to purchase real estate in Tainan as its factory. The Chairman has the absolute discretion of property acquisition within the total amount of $590,660 thousand (excluding the value-added tax for the building).

(b) Under Article 28-2 of the Securities and Exchange Act, in the Board of Directors meeting on March 8, 2022, the Company is expected to repurchase 3,000 thousand ordinary shares of the Company between the price of $ 170 to $250 per share during March 9 and May 6, 2022, for providing incentives to retain talents. When the share price falls below the minimum price set for the repurchase, the Company will continue to repurchase shares until they reach the maximum amount of $750,000 thousand.

(12) Other

(a) A summary of current-period employee benefits, depreciation and amortization, by function, was as follows:

By function	2021			2020		
By nature	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	637,245	576,458	1,213,703	553,874	724,624	1,278,498
Labor and health insurance	38,971	37,599	76,570	26,507	37,205	63,712
Pension	18,494	17,862	36,356	14,528	20,391	34,919
Remuneration of directors	-	38,328	38,328	-	52,790	52,790
Others	11,667	11,100	22,767	14,283	19,881	34,164
Depreciation	15,558	14,221	29,779	14,488	10,997	25,485
Amortization	593	591	1,184	455	583	1,038

For the years ended December 31, 2021 and 2020, the additional information on number of employees and employee benefits was as follows:

	2021	2020
Number of employees	856	810
Non-employee directors	6	5
Average employee benefits	$ 1,588	1,753
Average employee salary	$ 1,428	1,588
Adjustments of average employee salary	(10.08)%	
Remuneration of supervisors	$ -	-

The Company's remuneration policy, including directors, managers and employees, were as follow:

(i) Remuneration of employees:

In accordance with the Article of Incorporation.

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(ii) Remuneration of directors:

The independent directors of the Company are entitled a monthly business execution fee since the following month of the inauguration date. The other directors of the Company are only entitled to the remuneration in accordance with the Article of Incorporation when there is a surplus generated at the end of the Company's fiscal year. The annual remuneration amount to each independent director shall exclude the monthly business execution fee collected.

The annual remuneration of directors is determined according to the Company's Article of Incorporation, and the Remuneration Committee suggests an amount for the Board of Directors to resolve, then the Board of Directors proposes in the shareholders meeting for approval. The appropriation of remuneration to the directors is reviewed by the Remuneration Committee and is approved by the Board of Directors before distribution.

(iii) Remuneration of president and vice president:

The Company's managers receive bonuses based on the annual performance evaluation. If there is surplus generated, the surplus should be distributed to employees based on the performance evaluation performed by the Company.

The salary proposal is drafted up according to the Rules Governing Employee Salaries and then presented to the Remuneration Committee for review and to the Board of Directors for approval. The annual performance bonus and employee remuneration should be proposed to the Remuneration Committee for review, and to the Board of Directors for approval in accordance with the annual performance evaluation results and related payment methods.

Salary is determined and paid according to the Company's Rules Governing Salary Determination; also, by referring to the business performance and profitability of each business unit. The Remuneration Committee regularly reviews the reasonableness of the salary.

(b) Some of the Company's directors are involved in the adjudication process for violating the Securities and Exchange Act regulations and the effect on the Company's operation; please refer to the following information:

(i) The primary judgment contents

Director Chen, former director Wang and other involved parties were prosecuted by Taipei District Prosecutor's Office on June 5, 2002, as illegally transferred Company's fund more than $1.3 billion to Dentsu Engineering Co., Ltd. (Hereinafter referred to as Dentsu Corporation),Fuguo Engineering Co., Ltd., and Huayuan Engineering Co., Ltd, then transferred the fund to themselves. The primary judgment contents given by Taipei District Prosecutor's Office on August,31, 2015 (Finance Criminal Procedure Code No. 17 Act 2013) that the Court believed the defendants did not commit such crimes. However, the notes of the financial statements did not disclose that Dentsu Corporation shall be a relative party of the Company and paid expenses on behalf of the Company, therefore, the defendants were convicted guilty by the Court of providing false financial statements. The defendants all appealed against the conviction while the public prosecutor also filed an appeal against the acquittal part of the verdict; and due to the death of Mr. Wang, the former Chairman of the Company, the High Court (No. 104 Jin Shang Chung Su Tzu 40) declared a dismissal judgment for Mr. Wang on July 25, 2017 with respect to the charges of non-arm's length transactions, breach of trust, and embezzlement. The High Court stated that there was no evidence prove that the defendants,

(Continued)

other than Mr. Wang were guilty and the public prosecutor accepted the acquittal judgment without further appeal. As for the High Court's decision of guilty on the financial statement fraud, the sentences on two of the defendants were finalized because they were given probations and decided not to appeal; while the former Chairman Chen appealed to the Supreme Court, wherein the Supreme Court (No. 106 Tai Shang Tzu 3336), on July 25, 2018, reversed and remanded the case to the High Court whose further judgment (No. 107 Jun Shang Chung Geng Yi Tzu 8) on December 10, 2019 sentenced Mr. Chen guilty for misrepresented financial statements for certain years and guilty for violations of the Business Entity Accounting Act, as well as a five year probation; Chairman Chen filed an appeal while the SFIPC center also requested the prosecutor to appeal. The Supreme Court reversed and remanded the case to the High Court on July 17, 2020, whose further judgment (No. 109 Jun Shang Chung Geng Er Tzu 13) on May 13, 2020 sentenced two years' imprisonment and five-year probation for misrepresented financial statements for certain years. The former Chairman Chen has filed an appeal on June 11, 2022.

(ii) Impact on Operations

1) After the courts of the First, Second, and Last Instance investigation and trial, the defendants were not guilty of the charges of non-arm's length transactions, breach of trust, and embezzlement and vindicated themselves. The Company feels pleased but regrets the charges of misrepresenting the financial statements. The former Chairman Chen has appealed against the Second Instance. Therefore, the Company will await the court's decision to become finalized.

2) Since the occurrence of this case, the staff of the Company altogether have continued to stay on their posts and serve customers. The Company has also received support from proprietors and third party firms. The Company's revenue continues to grow, while the progress, collection and payment operations of projects remain normal. Current business and finances of the Company are quite robust, as the Company's operations have not been affected by any of the judicial events.

(iii) On December 5, 2013, based on the contents of the indictment, the SFIPC argued that it was inappropriate for the former three directors to hold such positions in the Company and appealed for court decision to dismiss the directors' positions.

Under the Taipei District Court's ruling in June 18, 2015, the SFIPC lost the lawsuit. The SFIPC filed an appeal, but due to the death of the former Chairman Wang, the SFIPC withdraw part of the appeal and changed its petition to be dismissing two directors' positions from June 16, 2015 to June 15, 2018. The court of Second Instance decided in early February 2016 to dismiss the complaint of the SFIPC about changes of claims. The SFIPC appealed to the Court of Third Instance on March 28, 2016. The Supreme Court (No. 106 Tai Shang Tzu 2658) revoked the original Second Instance judgment on September 28, 2018, and remanded the case to the High Court. On April 28, 2020, the two directors were disqualified from being a director by the High Court order. Both directors filed appeals on May 18, 2020, but due to the resignation of director Lee on June 2, 2020, she withdrew the appeal on June 3 in the same year and the court's decision on director Lee became finalized as of the date thereof. Mr. Chen did not reappoint as a director in the shareholder's meeting on August 17, 2021. The Supreme Court decided to dismiss the appeal of Mr. Chen on February 24, 2021, and the High Court's decision on Mr. Chen became finalized. The financial, business operations of the Company have also not been affected by this lawsuit.

(Continued)

(iv) According to the content of the indictment on January 27, 2014, the SFIPC filed a group lawsuit on behalf of the investor on the grounds that the Company's financial reports from the third quarter of 2008 to 2011 were misrepresented, requesting the Company, directors and former supervisors to jointly compensate the investors for the damage amounting to more than $243 million.

As stated above, the Company's operations and financial position have always been sound, and its share price has remained at a considerable level. It has been a stable and profitable company for a long time. Relevant parties have also indicated that the Company has handled the affairs of the Company's interests and has no caused the Company's financial reports to be misrepresented. The former Chairman Chen has appealed to the Supreme Court regarding the High Court's decision on the criminal case. Before the criminal case and the final judgment of this civil action are determined, whether the Company has misrepresented financial reports in the past years stated, the investors have been harmed, or the damage is related to false financial reporting, etc., it would take a period of time before the judgment is announced.

This lawsuit has also not affect the normal operation of the Company's current financial business.

(c) The Company received the civil judgment from the Taiwan Taipei District Court on September 2, 2014 that the Company should pay the package fees of $104,559 thousand and the former Chairman Wang's salary from January 2001 to April 2012, as previously paid by Dentsu, amounting to $21,405 thousand.

In the third quarter of 2014, in accordance with the judgment stated above, the Company assessed and took into accounts the package fees and salary paid by Dentsu, which have yet to be reimbursed by the Company (respectively logged as construction costs and management costs). The Company also estimated that the relevant interest payable as of December 31, 2021 amounted to $46,816 thousand (please refer to note 7).

As of the reporting date, the Company has yet to reimburse the abovementioned package fees, salary and related interests.

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(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company for the year ended December 31, 2021:

(i) Loans to other parties:

Unit: in thousands of New Taiwan Dollar

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 1)	Actual usage amount during the period	Range of interest rates	Purposes of fund financing for the borrower (Note 3)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limit (Note 2)	Maximum limit of fund financing (Note 2)
													Item	Value		
0	The Company	Su Yuan (Shanghai) Trading Ltd.	Other receivables	Yes	139,411	138,139	88,461	1.95%	2	-	Operating capital	-		-	1,921,332	3,842,665

Note 1: The ending balance during the current period are the amount, not the actual usage amount.

Note 2: The total amount of the Company's externally handled funds and loans does not exceed 40% of the Company's net worth, and the loan for a single business fund is not more than 20% of the Company's net worth.

Note 3: The capital loan and nature are as follows:
There are business contacts for 1
The need for short-term financing is 2

(ii) Guarantees and endorsements for other parties:

Unit: thousand dollars

No.	Name of guarantor	Counterparty of guarantee and endorsement		Limitation on amount of guanrantees and endorsements for one party (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the periiod	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsement / guarantees to third parties on behalf of subsidiary	Subsidiary endorsement / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	UNITED INTEGRATED SERVICES (USA) CORP.	2	76,853,304	11,353,483	11,292,289	-	-	117.55%	96,066,630	Y	N	N

Note 1: The total amount of the Company's external endorsement /guarantee shall not exceed ten times of the net value of the Company. The maximum guarantee and endorsement for single enterprise cannot exceed 50% of net value except for the following subsidiaries. The net value is based on the latest financial statements audited or reviewed by the accountants.
1. The Company directly and indirectly holds 100% of the voting shares of a company shall not exceed eight times of the net value.
2. The Company directly and indirectly holds more than 50% of the voting shares of a company shall not be exceed 1.5 times of net value.

Note 2: There are seven conditions in which the Company may have guarantees or endorsements for other parties:
1) The Company has business relationship.
2) A company in which the Company directly or indirectly holds more than 50% voting right.
3) An investee in which the Company and subsidiary holds more than 50% of its voting rights.
4) Subsidiaries in which the Company holds more than 90% of voting rights.
5) Companies in accordance with contractual provisions established by mutual applicants or in need of project.
6) Companies that are endorsed and guaranteed by all capital shareholders based on their shareholding ratio due to a joint investment relationship.
7) The performance guarantees for pre-sale house sales contract between intra-industry companies in accordance with the Consumer Protection Law requires joint guarantee.

(iii) Securities held at the end of the period (excluding investment in subsidiaries, associates and joint ventures):

Unit: in thousands of New Taiwan Dollar/thousand of shares

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	stock－Nanya Technology Corporation	-	Current financial assets at fair value through profit or loss	63	4,955	- %	4,955	
The Company	stock－Taichung Commercial Bank Co., Ltd.	-	Current financial assets at fair value through profit or loss	120	1,454	- %	1,454	
The Company	stock－Acer	-	Current financial assets at fair value through profit or loss	1,400	42,630	0.05 %	42,630	
The Company	stock－Chunghwa Telecom Co., Ltd	-	Current financial assets at fair value through profit or loss	26	3,029	- %	3,029	
The Company	stock－CTCI Co., Ltd	-	Current financial assets at fair value through profit or loss	10	372	- %	372	
The Company	stock－Powerchip Semiconductor Manufacturing Corporation	-	Current financial assets at fair value through profit or loss	7,639	543,899	0.25 %	543,899	
The Company	stock－Powerchip Technology Corporation	-	Current financial assets at fair value through profit or loss	4,553	114,622	0.14 %	114,622	
	totals				710,961			

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The Company	stock－Taiwan Electronic Data Processing Corp.	-	Non-current financial assets at fair value through profit or loss	374	3,156	9.65％	3,156	

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UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance: Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Note
The Company	stock－Pu-Xun Venture Capital	-	Non-current financial assets at fair value through profit or loss	397	373	1.67 %	373	
The Company	stock－Aetas Technology Inc.	-	Non-current financial assets at fair value through profit or loss	91	-	0.30 %	-	
The Company	stock－Glandtex Corporation	-	Non-current financial assets at fair value through profit or loss	1	-	0.01 %	-	
The Company	stock－Promos Technologies Inc.	-	Non-current financial assets at fair value through profit or loss	2	-	- %	-	
	totals				3,529			
The Company	stock－Jiangxi Construction	-	Non-current financial assets at fair value through other comprehensive income	Note 1	2,026,136	19.80 %	2,026,136	

Note 1: Registered with the amount of capital contribution.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

Unit: thousand dollars

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information: Owner	Relationship with the Company	Date of transfer	Amount	References for determining price	Purpose of acquisition and current condition	Others
The Company	Land	June 12, 2020	361,860	Fully paid	Tsuan Lin, Hong	-	-	-	-	-	Appraisal report from Lichyuan real estate appraisal firm	Headquarters	None
The Company	Buildings	June 12, 2020	155,090	Fully paid	DeEn Construction Co.,Ltd.	-	-	-	-	-	Appraisal report from Lichyuan real estate appraisal firm	Headquarters	None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Unit: in thousands of New Taiwan Dollar

Company of the purchase / sale	Name of counterparty	Nature of Relationship	Transaction details: Purchase / Sale	Amount	Percentage of total purchases / sales	Creditt term	The circumstances and reasons for the differences in the terms of the transaction and the general conditions of the transaction: Single price	Credit term	Accounts and notes receivable (payable): Ending balance	Percentage of total notes / accounts receivable (payable)	Note
The Company	AIRREX Co., Ltd.	Related party	Purchase	115,733	0.60 %	O/A 62 days	-		63,898	1.6%	Note 1
The Company	Eco Energy Corporation	Investee accounted for using equity method	Purchase	144,952	0.75 %	O/A 30 days	-		-	-%	
The Company	Hanxuan Energy Co., Ltd.	Subsidiary	Sales	145,403	0.63 %	O/A 30 days	-	-	-	-%	
The Company	Jiangxi United Integrated Services Ltd.	Subsidiary	Sales	202,412	0.87 %	O/A 90 days	-	-	-	-%	

Note 1: The Company only disclosed the purchase amounts from AIRREX CO., LTD. that transaction occurred from January 1 to August 31, 2021. Since September 1, 2021, AIRREX CO., LTD. is no longer the Group's related party. Therefore, the disclosure of accounts payable to related parties in note 7 does not include the disclosure of accounts payable in this chart.

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Notes to the Financial Statements

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Unit: in thousands of New Taiwan Dollar

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowances
					Amount	Action taken		
The Company	Su Yuan (Shanghai) Trading Ltd.	subsidiary	126,934	-	-	-	414	-

(ix) Trading in derivative instruments: None.

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2021 (excluding information on investees in Mainland China):

Unit: in thousands of New Taiwan Dollar

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/losses of investee (Note 1)	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	ABLEREX ELECTRONICS CO., LTD.	Taiwan	Sale and purchase of UPS	189,852	189,852	14,987	33.30%	499,046	75,872	25,268	
The Company	WHOLETECH SYSTEM HITECH LIMITED	Taiwan	Gas pipeline engineering	61,367	61,367	9,946	13.61%	221,489	281,195	38,287	
The Company	JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Taiwan	Machinery and Equipment Manufacturing	47,544	47,874	3,464	16.90%	48,042	(6,447)	(1,097)	
The Company	Eco Energy Corporation	Taiwan	Integration and Solutions of Battery Energy Storage Systems, Purchase and Sale of Related Materials and Equipment	99,449	99,449	6,630	16.57%	106,290	40,483	6,710	
The Company	United Integrated Services (BVI) Co., Ltd.	BVI	Investment activities	567,643	567,643	17,698	100.00%	751,093	22,935	22,935	
The Company	Hanxuan Energy Co., Ltd.	Taiwan	self-usage power generation equipment utilizing renewable energy	500,000	150,000	50,000	100.00%	453,507	(9,813)	(9,813)	
The Company	Hunter Energy Co., Ltd.	Taiwan	self-usage power generation equipment utilizing renewable energy	90,000	90,000	9,000	100.00%	73,743	(211)	(211)	
The Company	UNITED INTEGRATED SERVICES (USA) CORP.	USA	Clean room system construction	1,392,503	57,130	50,000	100.00%	1,363,005	(20,066)	(20,066)	
The Company	UNITED INTEGRATED SERVICES CO., LTD. (Singapore)	Singapore	Clean room system construction	34,040	34,040	-	100.00%	(29,303)	(2,510)	(2,510)	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEMHITECH (BVI) LIMITED	BVI	Investment activities	170,884	170,884	5,400	100.00%	293,370	61,090	61,090	
WHOLETECH SYSTEMHITECH (BVI) LIMITED	WHOLETECH SYSTEMHITECH (SHANHAI) LIMITED	China	Electromechanical, Circuit, and Pipeline Engineering Businesses	169,127	169,127	-	100.00%	293,350	61,090	61,090	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEMHITECH INC.	Mauritius	Investment activities	110,559	110,559	3,500	100.00%	262,350	48,498	48,498	
WHOLETECH SYSTEM HITECH INC.	WHOLETECH GROUPINTERNATIONALTRADING LIMITED	Mauritius	Investment activities	110,559	110,559	3,500	100.00%	262,350	48,498	48,498	
WHOLETECH GROUP INTERNATIONAL TRADING LIMITED	WHOLETECH GROUP (Shanghai) TRADING LIMITED	China	Import and Export Trading Business of Electronics, Machineries, Chemical Equipment, Pipe Fitting Hardware, etc.	110,559	110,559	-	100.00%	262,350	48,498	48,498	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEMHITECH (S) PTE.LTD.	Singapore	Construction of water, gas pipelines and sewage systems, gas production, distribution of fuel gas main systems, etc.	30,865	30,865	200	100.00%	45,939	5,266	5,266	
WHOLETECH SYSTEM HITECH (S) PTE. LTD.	WHOLETECH SYSTEMHITECH (M) SDN.BHD.	Malaysia	Construction of water, gas pipelines and sewage systems, gas production, distribution of fuel gas main systems, etc.	855	855	100	100.00%	308	(77)	(77)	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-Samoa	Samoa	Holding company	217,445	217,445	6,635	100.00%	450,420	(18,884)	(19,695)	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-USA	USA	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	8,303	8,303	250	100.00%	60,357	13,649	13,681	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-HK	Hong Kong	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	43	43	10	100.00%	29,649	1,070	1,070	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-SG	Singapore	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	48,008	48,008	2,141	100.00%	100,405	8,706	10,268	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-UK	UK	Holding company	4,674	4,674	100	100.00%	14,447	3,803	3,600	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-JP	Japan	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	9,159	9,159	3	99.00%	5,867	(2,980)	(2,967)	
Ablerex-Samoa	Ablerex -Overseas	Hong Kong	Holding company	217,445	217,445	6,635	100.00%	456,434	(18,845)	-	
Ablerex-UK	Ablerex-IT	Italy	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	4,674	4,674	100	100.00%	14,447	3,803	-	
Ablerex-SG	Ablerex-TH	Thailand	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	256	256	280	70.00%	2,770	(249)	-	

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/losses of investee (Note 1)	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value			
Ablerex-USA	Ablerex-LATAM	USA	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	15,358	15,358	4	86.00%	7,610	5,061	-	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	ASIA INTELLIGENCE INVESTMENTS LIMITED	BVI	Investment activities	30,280	30,280	-	100.00%	41,486	7,867	7,867	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Taiwan Sustainable Environmental Energy CO., LTD	Taiwan	Sales of polluton control equipment	100	1,000	10	14.29%	105	(16)	16	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Hua Zhi System Engineering Co., Ltd.	Taiwan	Sales of polluton control equipment	2,205	2,205	221	21.00%	5,373	887	232	
ASIA INTELLIGENCE INVESTMENTS LIMITED	JG ENVIRONMENTAL TECHNOLOGY (SHANGHAI) CO., LTD	China	Sales of polluton control equipment and manufacturing	30,280	30,280	-	100.00%	41,607	7,867	7,867	
Eco Energy Corporation	Jia Huang Technology Ltd.	Taiwan	Possession of power plants and engagement in public agency cases	50,000	50,000	5,000	100.00%	47,916	175	(2,084)	
Eco Energy Corporation	Jia Ai Technology Co., Ltd.	Taiwan	Possession of power plants and engagement in public agency cases	1,000	1,000	100	100.00%	956	(32)	(44)	
Eco Energy Corporation	Jei Bo Energy Co., Ltd.	Taiwan	Possession of power plants and engagement in public agency cases	5,000	-	500	100.00%	4,991	(9)	(9)	
Eco Energy Corporation	Ming Qu Energy Engineering Ltd.	Taiwan	Possession of power plants and engagement in public agency cases	206,045	-	20,604	49.00%	179,451	(407)	(26,594)	
Eco Energy Corporation	Hei Bo Energy Co., Ltd.	Taiwan	Possession of power plants and engagement in public agency cases	5,000	-	500	100.00%	4,991	(9)	(9)	

Note 1: The profits/losses of the investee for current period were recognized by the investment company.

(c) Information on investment in mainland China:

Informaiton on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Unit: in thousands of New Taiwan Dollar

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value as of December 31, 2021	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Su Yuan (Shanghai) Trading Ltd.	Semiconductor, clean room and electromechanical	NT$ 34,495 USD 1,000	(2)	NT$ 34,495 USD 1,000	-	-	NT$ 34,495 USD 1,000	10,500	100.00%	NT$ 10,500	NT$ 317,455	-
(JIANGXI) UNITED INTEGRATED SERVICES Ltd.	Electromechanical business and pipeline engineering business	NT$ 453,360 RMB 100,000	(1)	NT$ 338,573 RMB 75,000	-	-	NT$ 338,573 RMB 75,000	204,029	75.00%	NT$ 153,022	NT$ 478,936	NT$ 1,502,709 RMB 320,521
Suzhou Han tai System Integrated Ltd.	Construction hardware , materials production and sales	NT$ 381,660 USD 12,000	(2)	NT$ 381,660 USD 12,000	-	-	NT$ 381,660 USD 12,000	10,211	100.00%	NT$ 10,211	NT$ 332,811	-
Jiangxi Construction Engineering Group Co., Ltd.	Various types of building construction	NT$ 5,113,150 RMB 1,043,500	(1)	NT$ 1,008,212 RMB 206,600	-	-	NT$ 1,008,212 RMB 206,600	-	19.80%	NT$ -	NT$ 2,026,136	NT$ 1,560,313 RMB 334,616
Beijing Han he Tang Medical instrument Ltd.	Distribution agency for medical equipment, import and export of goods, after-sales service	NT$ 30,187 USD 1,000	(2)	NT$ 30,187 USD 1,000	-	-	NT$ 30,187 USD 1,000	2,193	100.00%	NT$ 2,193	NT$ 13,461	-

Note 1: Investment method

(1) Investing in the mainland through companies in another country

(2) Establishing a company through the investment in the third region to reinvest in the mainland.

(ii) Limitation on investment in Mainland China:

Accumulated investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,798,283 (USD59,165)	1,825,134 (USD59,165)	5,763,997

(iii) Significant transactions with investees in Mainland China:

The significant inter－company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders:

For the year ended December 31, 2021, no shareholder held more than 5%.

(14) Segment information:

Please refer to the consolidated financial statement for the year ended December 31, 2021.

United Integrated Services Co., Ltd.

Statement of cash and cash equivalents

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand and foreign currency	Cash	$ 682
	Petty cash	800
		1,482
Cash in banks	Demand deposits	2,049,397
	Check Deposits	1,242
	Time deposits (Note)	2,087,200
	Foreign currency deposits (Note)	161,934
		4,299,773
		$ 4,301,255

Note: US dollar demand deposits of $153,915,000 are translated at the exchange rate of USD$1=NT$27.68, and RMB demand deposits of $8,019,000 are translated at the exchange rate RMB$1=NT$4.34.

On December 31, 2021, the range of the interest rates of the time deposits was 0.40%~0.41%, which matured during January 2022 and February 2022.

United Integrated Services Co., Ltd.

Statement of financial assets measured at fair value through profit or loss - current

December 31, 2021

(Expressed in thousands of New Taiwan Dollars / thousands of shares)

Name of financial instrument	Description	Shares or units	Par value	Total amount	Interest rate (%)	Acquisition cost	Fair value Unit price	Fair value Total amount	Fair value changes is attributable to the changes in credit risk	Note
Nanya Technology Corporation		63	$ -	-	-	19,928	78.10	4,955	-	
Taichung Commercial Bank Co., Ltd.		120	-	-	-	986	12.15	1,454	-	
ACER		1,400	-	-	-	94,045	30.45	42,630	-	
Chunghwa Telecom Co., Ltd		26	-	-	-	3,033	116.50	3,029	-	
CTCI Co., Ltd		10	-	-	-	340	37.20	372	-	
Powerchip Semiconductor Manufacturing Corporation		7,639	-	-	-	134,314	71.20	543,899	-	
Powerchip Technology Corporation		4,553	-	-	-	68,687	25.18	114,622	-	
						321,333		-	-	
Add: Valuation Adjustments						389,628		-	-	
						$ 710,961		710,961	-	

United Integrated Services Co., Ltd.

Statement of changes in financial assets measured at fair value through profit or loss - non-current

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars / thousands of shares)

Name of financial instrument	Beginning Balance		Addition		Decrease		Ending Balance		Collateral	Note
	Shares or units	Fair value	Shares or units	Amount	Shares or units	Amount	Shares or units	Fair value		
Taiwan Electronic Data Processing Co.,Ltd.	374	$ 27,570	-	-	-	-	374	27,570	None	
Pu－Xun venture capital	722	7,225	-	-	325	3,251	397	3,974	〃	
Add: Valuation Adjustments	-	(27,990)	-	-	-	25	-	(28,015)		
		$ 6,805		**-**		**3,276**		**3,529**		

United Integrated Services Co., Ltd.

Statement of changes in non-current financial assets measured at fair value through other comprehensive income

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Beginning Balance		Addition		Decrease		Ending Balance		Collateral	Note
	Shares or units	Fair value	Shares or units	Amount	Shares or units	Amount	Shares or units	Fair value		
Jiangxi Construction Engineering Group Co.,Ltd.	Note	$ 1,008,212	-	-	-	-	-	1,008,212	None	
Add: Valuation Adjustments	-	950,506	-	67,418	-	-	-	1,017,924		
		$ 1,958,718		**67,418**		**-**		**2,026,136**		

Note: Registered with the amount of capital contribution.

United Integrated Services Co., Ltd.

Statement of notes receivable

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount	Note
Unrelated Parties:			
Giga Medical Instrument LTD.	Operating	$ 638	
Deluxe Immigration Consultancy LTD.	Operating	227	
Other (The balance of each household is less than 5% of the balance of the subject)	Operating	5	
		$ 870	

Statement of accounts receivable

Client name	Description	Amount	Note
Related Parties:			
Beijing Han he Tang Medical instrument , Ltd.	Operating	$ 1,486	
Unrelated Parties:			
Taiwan Semiconductor Manufacturing Co., Ltd.	Operating	1,641,189	
Micron Memory Taiwan Co., Ltd.	Operating	252,537	
Other (The balance of each household is less than 5% of the balance of the subject)	Operating	292,223	
		2,185,949	
		2,187,435	
Less: Loss allowance		86,452	
		$ 2,100,983	

United Integrated Services Co., Ltd.

Statement of changes in Contract Assets and Contract Liabilities

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

	Contract Assets						Contract Liabilities					
		Addition		Decrease								
Name of Project	Beginning Balance	Construction cost	Gain on Construction	Loss on Construction	Completion	Ending Balance	Beginning Balance	Input	Completion	Ending Balance	Contract Assets	Contract liability
F530	$ 1,067,451	1,380	189,391	-	-	1,258,222	1,226,209	-	-	1,226,209	32,013	-
F570	1,845,094	12,807	250,992	-	-	2,108,893	2,096,941	110,334	-	2,207,275	-	98,382
F600	6,220,947	133,720	208,597	-	6,563,264	-	6,459,027	104,237	6,563,264	-	-	-
F650	1,433,110	12,215	152,153	-	-	1,597,478	1,523,014	-	-	1,523,014	74,464	-
F690	1,858,318	4,907	166,029	-	-	2,029,254	1,862,476	132,474	-	1,994,950	34,304	-
F710	23,287,930	5,746,051	578,575	-	-	29,612,556	26,979,360	6,435,809	-	33,415,169	-	3,802,613
F740	1,330,525	78,636	8,737	-	-	1,417,898	1,397,852	175,233	-	1,573,085	-	155,187
F770	1,880,209	35,859	3,984	-	-	1,920,052	1,946,219	134,159	-	2,080,378	-	160,326
F810	812,020	1,133,203	59,642	-	-	2,004,865	593,917	1,403,105	-	1,997,022	7,843	-
Other	13,752,508	12,076,607	2,025,146	18,105	3,059,365	24,776,791	14,244,198	13,350,865	3,059,365	24,535,698	2,477,697	2,236,604
	$ 53,488,112	**19,235,385**	**3,643,246**	**18,105**	**9,622,629**	**66,726,009**	**58,329,213**	**21,846,216**	**9,622,629**	**70,552,800**	**2,626,321**	**6,453,112**

United Integrated Services Co., Ltd.

Statement of inventories

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Net realizable value	Note
Merchandise	$ 5,941	-	
Finished goods	16,594	7,037	
Work in process	24,405	1,779	
Raw materials	62,706	56,811	
Total	109,646	**65,627**	
Less: Allowance for impairment	44,019		
	$ 65,627		

Statement of prepayments

Please refer to note 6 (e).

Statement of other current assets

Please refer to note 6 (l).

United Integrated Services Co., Ltd.

Statement of changes in investments accounted for using equity method

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars / thousands of shares)

	Beginning Balance		Addition		Decrease		Ending Balance			Market Value or Net Assets Value(Note 2)		
Name of investee	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of ownership (%)	Amount	Unit price	Total amount	Collateral
Ablerex Electronics Co., Ltd.	14,987	$ 490,589	-	26,547	-	18,090	14,987	33.30	499,046	39.35	589,719	None
Wholetech System Hitech Limited	9,946	202,156	-	47,329	-	27,996	9,946	13.61	221,489	49.05	487,855	〃
JG Environmental Technology Co., Ltd	3,488	54,734	-	-	24	6,692	3,464	16.90	48,042	22.77	78,875	〃
Eco Energy Corporation	6,630	101,666	-	6,779	-	2,155	6,630	16.57	106,290	16.03	106,290	〃
UniMEMS Manufacturing Co., Ltd.	2,095	-	-	-	-	-	2,095	19.49	-	-	-	〃
Uuited Integrated Services BVI	17,698	736,016	-	22,935	-	7,858	17,698	100.00	751,093	42.44	751,093	〃
(Jiangxi) United Integrated Services , Ltd.	Note 1	442,392	-	153,022	-	116,478	Note 1	75.00	478,936	-	478,936	〃
Hanxuan Energy Co. Ltd.	15,000	135,122	35,000	350,000	-	31,615	50,000	100.00	453,507	9.07	453,507	〃
Hunter Energy Co. Ltd.	9,000	78,124	-	-	-	4,381	9,000	100.00	73,743	8.19	73,743	〃
United Integrated Services (USA) Corp.	2,000	55,759	48,000	1,335,373	-	28,127	50,000	100.00	1,363,005	27.26	1,363,005	〃
		2,296,558		1,941,985		243,392			3,995,151		4,383,023	
United Integrated Services Pte Ltd.	Note 1	(28,282)	-	1,489	-	2,510	Note 1	100.00	(29,303)	-	-	〃
Total		$ 2,268,276		1,943,474		245,902			3,965,848		4,383,023	

Note 1: Registered with the amount of capital contribution.

Note 2: If there is no open market price for a long-term equity investment, the net value or book value of the equity at the balance sheet date is its fair market value.

United Integrated Services Co., Ltd.

Statement of changes in property, plant and equipment

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6 (i).

Statement of changes in accumulated depreciation of property, plant and equipment

Please refer to note 6 (i).

Statement of changes in intangible assets

Please refer to note 6 (k).

Statement of deferred tax assets

December 31, 2021

Please refer to note 6 (p)(ii)2).

United Integrated Services Co., Ltd.

Statement of other non-current assets

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6 (l).

Statement of notes payable

Vendor Name	Description	Amount	Note
Unrelated Parties:			
Leader Air Condition Co., Ltd.	operating	$ 14,698	
Chang Ji Clean Room Technology Ltd.	operating	14,269	
Yun Jia Engineering Co., Ltd.	operating	9,904	
Shang Dewen Construction Ltd.	operating	9,807	
NAKOSIN Enterprise Ltd.	operating	8,895	
Other (The balance of each household is less than 5% of the balance of the subject)	operating	6,521	
		$ 64,094	

United Integrated Services Co., Ltd.

Statement of accounts payable

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Vendor Name	Description	Amount	Note
Construction Retention Payable:			
Related Parties:			
United Integrated Services BVI	operating	$ 24,600	
Wholetech System Hitech Limited	operating	16,673	
Ablerex Electronics Co., Ltd.	operating	18,250	
JG Environmental Technology Co., Ltd.	operating	2,839	
		62,362	
Unrelated Parties:			
Da Sheng Engineering Co., Ltd.	operating	123,102	
Tecpel Co., Ltd.	operating	165,915	
Other (The balance of each household is less than 5% of the balance of the subject)		2,029,323	
		2,318,340	
Construction Payable:			
Related Parties:			
Wholetech System Hitech Limited	operating	13	
Ablerex Electronics Co., Ltd.	operating	1,195	
JG Environmental Technology Co., Ltd	operating	16,961	
Fu-Kuo Engineering Co., Ltd	operating	5,300	
Huayuan Engineering Co., Ltd.	operating	2,936	
Dentsu Engineering Co., Ltd.	operating	3,100	
		29,505	
Unrelated Parties:			
We Shung Technology Corporation	operating	83,113	
Topline System Engineering Co., Ltd.	operating	71,144	
TIME MAX ENTERPRISE LIMITED	operating	78,942	
Other (The balance of each household is less than 5% of the balance of the subject)	operating	1,289,413	
		1,522,612	
		$ 3,932,819	

United Integrated Services Co., Ltd.

Statement of other payables- related parties

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 7 (c) iv) .

Statement of provisions - current

Please refer to note 6 (m).

United Integrated Services Co., Ltd.

Statement of other current liabilities

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other accrued expenses:			
	Employee bonus and board compensation	$ 488,394	
	Business tax	37,497	
	Salary allowance	180,915	
	Labor and health insurance premium	14,926	
	Other	3,100	
		724,832	
Other payables-other		2,171	
Other current liabilities:			
	Temporary receipts	2,006	
	Receipts under custody	1,555	
	Tax collections	1,386	
	Other notes payable	416	
		5,363	
		$ 732,366	

Statement of provisions - non-current

Please refer to note 6 (o).

United Integrated Services Co., Ltd.

Statement of deferred tax liabilities

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6 (p) (ii) 2).

Statement of operating revenues

For the year ended December 31, 2021

Item	Quantity	Amount
Construction revenue:		
Percentage of completion method - Completed construction revenue	-	$ 908,112
Percentage of completion method - Uncompleted construction revenue	-	21,952,412
Subtotal		22,860,524
Service and design revenue	-	88,055
Sales	-	110,956
Net operating revenues		**$ 23,059,535**

United Integrated Services Co., Ltd.

Statement of operating costs

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Subtotal	Total
Construction costs:		
Current material	$ 17,144,503	
Labor	905,553	
Construction overhead	1,185,329	
Total of construction costs		19,235,385
Service and design costs		31,566
Costs of goods sold		44,410
Total operating costs		$ 19,311,361

Statement of construction overhead

Item	Description	Amount
Components		$ 209,232
Freight		87,116
Overtime pay		87,229
Other (The balance of each household is less than 5% of the balance of the subject)		801,752
Total		$ 1,185,329

United Integrated Services Co., Ltd.

Statement of selling expenses

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Wages and salaries		$ 13,148
Depreciations		1,684
Warranty expenses		9,339
Other (The balance of each household is less than 5% of the balance of the subject)		3,114
Total		**$ 27,285**

Statement of administrative expenses

Item	Description	Amount
Wages and salaries		$ 575,853
Insurance expenses		74,115
Other (The balance of each household is less than 5% of the balance of the subject)		109,781
Total		**$ 759,749**

United Integrated Services Co., Ltd.

Statement of the research and development expenses

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	
Wages and salaries		$	21,109
Depreciation expenses			1,651
Insurance expenses			1,809
Other (The balance of each household is less than 5% of the balance of the subject)			5,431
Total		**$**	**30,000**

Statement of other gains and losses

Please refer to note 6 (u).

Statement of Labor, Depreciation and Amortization by Function

Please refer to note 12 (a).

UNITED INTEGRATED SERVICES CO., LTD.

Chairperson: Belle Lee