

**PRINCE HOUSING & DEVELOPMENT  
CORP. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
SEPTEMBER 30, 2022 AND 2021**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Prince Housing & Development Corp. and subsidiaries (the “Group”) as at September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of review***

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 “Review of Financial Information Performed by the Independent Auditor of the Entity” in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Basis for qualified conclusion***

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent auditors whose statements reflect total assets of NT\$10,342,554 thousand and NT\$9,791,478 thousand, constituting 22% and 20% of the consolidated total assets, and total liabilities of NT\$6,146,809 thousand and NT\$6,564,110 thousand, both constituting 28% of the consolidated total liabilities as at September 30, 2022 and 2021, and total comprehensive income (loss) of NT\$93,619 thousand, NT(\$80,952) thousand, NT\$512,291 thousand and NT(\$213,279) thousand, constituting 54%, 9% , 72% and (18%) of the consolidated total comprehensive income for the three

months and nine months then ended. As explained in Note 6(7), investments accounted for using equity method were assessed and disclosed based on the financial statements that were not reviewed by the independent auditors, which statements reflect share of profit of associates and joint ventures of NT\$44,288 thousand, NT\$10,599 thousand, NT\$80,193 thousand and NT\$31,486 thousand for the three months and nine months then ended, and investments (including credit balance transferred to other non-current liabilities-others of NT\$ 140,095 thousand, and NT\$139,754 thousand) of NT\$1,745,489 thousand and NT\$1,700,641 thousand as at September 30, 2022 and 2021, respectively.

### ***Qualified conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for using equity method been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Wang, Kuo-Hua

Tien, Chung-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

November 4, 2022

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' review report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2022, DECEMBER 31, 2021 AND SEPTEMBER 30, 2021**  
(Expressed in thousands of New Taiwan dollars)  
(The balance sheets as of September 30, 2022 and 2021 are reviewed, not audited)

	Assets	Notes	September 30, 2022		December 31, 2021		September 30, 2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 7,089,042	15	\$ 6,880,644	14	\$ 4,697,597	10
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	5,924,182	13	3,130,436	6	2,809,223	6
1136	Current financial assets at amortised cost	6(4) and 8	994,557	2	765,918	2	528,264	1
1140	Current contract assets	6(25) and 7	393,000	1	506,427	1	143,233	-
1150	Notes receivable, net	6(5)	52,177	-	29,352	-	59,230	-
1170	Accounts receivable, net	6(5)	488,247	1	723,378	1	548,858	1
1180	Accounts receivable - related parties, net	6(5) and 7	139,151	-	6,460	-	4,826	-
1200	Other receivables		8,174	-	60,927	-	28,077	-
1220	Current income tax assets		1,634	-	3,197	-	-	-
130X	Inventories, net	6(6) and 8	6,923,694	15	11,322,022	23	13,250,597	27
1410	Prepayments		98,294	-	119,642	-	104,248	-
1479	Other current assets		17,083	-	2,544	-	5,582	-
11XX	<b>Current Assets</b>		<u>22,129,235</u>	<u>47</u>	<u>23,550,947</u>	<u>47</u>	<u>22,179,735</u>	<u>45</u>
<b>Non-current assets</b>								
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 8	557,256	1	1,215,388	2	1,297,982	3
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 8	2,466,666	5	2,757,723	6	2,345,029	5
1535	Non-current financial assets at amortised cost	6(4) and 8	665,075	1	633,990	1	628,921	1
1550	Investments accounted for under equity method	6(7) and 8	1,885,584	4	1,849,865	4	1,840,395	4
1600	Property, plant and equipment, net	6(8) and 8	5,538,759	12	5,658,708	11	5,700,372	12
1755	Right-of-use assets	6(9) and 7	6,351,675	13	6,708,198	13	6,828,588	14
1760	Investment property, net	6(11) and 8	5,421,073	12	5,485,077	11	5,506,507	11
1780	Intangible assets, net	6(12)	1,889,857	4	1,936,487	4	1,951,230	4
1840	Deferred income tax assets		334,886	1	272,749	1	265,127	1
1920	Refundable deposits	7	122,307	-	156,988	-	126,216	-
1990	Other non-current assets		74,469	-	76,256	-	74,822	-
15XX	<b>Non-current assets</b>		<u>25,307,607</u>	<u>53</u>	<u>26,751,429</u>	<u>53</u>	<u>26,565,189</u>	<u>55</u>
1XXX	<b>Total assets</b>		<u>\$ 47,436,842</u>	<u>100</u>	<u>\$ 50,302,376</u>	<u>100</u>	<u>\$ 48,744,924</u>	<u>100</u>

(Continued)

**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
SEPTEMBER 30, 2022, DECEMBER 31, 2021 AND SEPTEMBER 30, 2021  
(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of September 30, 2022 and 2021 are reviewed, not audited)

	Liabilities and Equity	Notes	September 30, 2022		December 31, 2021		September 30, 2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>								
2100	Short-term borrowings	6(13) and 8	\$ 1,101,000	2	\$ 1,275,860	3	\$ 1,149,000	2
2110	Short-term notes and bills payable	6(14) and 8	-	-	250,000	1	120,000	-
2130	Current contract liabilities	6(25) and 7	536,619	1	1,342,333	3	913,562	2
2150	Notes payable		944	-	334	-	1,287	-
2170	Accounts payable		1,063,443	2	1,706,282	3	1,569,177	3
2200	Other payables	6(15)	758,529	2	702,488	1	577,279	1
2230	Current income tax liabilities		202,814	1	106,796	-	188,243	1
2280	Current lease liabilities	7	439,486	1	453,057	1	445,356	1
2310	Receipts in advance		55,504	-	29,052	-	61,351	-
2320	Long-term liabilities, current portion	6(16)(17) and 8	3,010,000	6	2,966,817	6	2,803,510	6
2399	Other current liabilities		69,769	-	100,470	-	83,224	-
21XX	<b>Current Liabilities</b>		<u>7,238,108</u>	<u>15</u>	<u>8,933,489</u>	<u>18</u>	<u>7,911,989</u>	<u>16</u>
<b>Non-current liabilities</b>								
2530	Bonds payable	6(16)	2,000,000	4	2,500,000	5	2,500,000	5
2540	Long-term borrowings	6(17) and 8	4,080,000	9	4,474,807	9	4,587,369	10
2550	Provisions for liabilities - non-current	6(18)	159,430	-	136,504	-	132,063	-
2570	Deferred income tax liabilities		279,020	1	298,297	1	298,084	1
2580	Non-current lease liabilities	7	6,650,995	14	6,969,116	14	7,083,512	15
2610	Long-term notes and accounts payable		808,301	2	808,301	2	808,301	2
2640	Net defined benefit liability - non-current		42,354	-	54,980	-	61,301	-
2645	Guarantee deposits received		164,448	-	164,542	-	189,882	-
2670	Other non-current liabilities	6(7)	195,204	1	195,093	-	194,708	-
25XX	<b>Non-current liabilities</b>		<u>14,379,752</u>	<u>31</u>	<u>15,601,640</u>	<u>31</u>	<u>15,855,220</u>	<u>33</u>
2XXX	<b>Total Liabilities</b>		<u>21,617,860</u>	<u>46</u>	<u>24,535,129</u>	<u>49</u>	<u>23,767,209</u>	<u>49</u>
<b>Equity attributable to owners of parent</b>								
3110	Share capital	6(20)						
	common stock		16,233,261	34	16,233,261	32	16,233,261	33
3200	Capital surplus	6(21)						
	Capital surplus		2,260,513	5	2,260,513	5	2,260,513	5
3310	Retained earnings	6(22)						
	Legal reserve		2,387,299	5	2,232,892	4	2,232,892	4
3350	Unappropriated retained earnings		3,225,246	7	3,129,052	6	2,754,170	6
3400	Other equity interest	6(23)						
	Other equity interest		1,447,285	3	1,765,034	4	1,349,221	3
3500	Treasury stocks	6(20)	( 1,003)	-	( 1,003)	-	( 1,003)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>25,552,601</u>	<u>54</u>	<u>25,619,749</u>	<u>51</u>	<u>24,829,054</u>	<u>51</u>
36XX	Non-controlling interest		<u>266,381</u>	<u>-</u>	<u>147,498</u>	<u>-</u>	<u>148,661</u>	<u>-</u>
3XXX	<b>Total equity</b>		<u>25,818,982</u>	<u>54</u>	<u>25,767,247</u>	<u>51</u>	<u>24,977,715</u>	<u>51</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 47,436,842</u>	<u>100</u>	<u>\$ 50,302,376</u>	<u>100</u>	<u>\$ 48,744,924</u>	<u>100</u>

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

**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars, except earnings (loss) per share amounts)  
(Reviewed, not audited)

Items	Notes	Three months ended September 30				Nine months ended September 30			
		2022		2021		2022		2021	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(25) and 7	\$ 2,058,080	100	\$ 2,435,987	100	\$ 10,411,794	100	\$ 8,346,158	100
5000 Operating costs	6(6)(12)(30)	( 1,363,857)	( 66)	( 1,872,673)	( 77)	( 7,136,690)	( 68)	( 6,203,255)	( 74)
5900 Gross profit		694,223	34	563,314	23	3,275,104	32	2,142,903	26
Operating expenses	6(12)(30)								
6100 Selling expenses		( 47,945)	( 3)	( 68,284)	( 3)	( 221,054)	( 2)	( 215,703)	( 3)
6200 General and administrative expenses		( 418,328)	( 20)	( 294,079)	( 12)	( 1,321,584)	( 13)	( 1,272,547)	( 15)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	( 31)	-	25	-	( 39)	-	( 434)	-
6000 Total operating expenses		( 466,304)	( 23)	( 362,338)	( 15)	( 1,542,677)	( 15)	( 1,488,684)	( 18)
6900 Operating profit		227,919	11	200,976	8	1,732,427	17	654,219	8
Non-operating income and expenses									
7100 Interest income	6(26)	3,191	-	1,122	-	8,709	-	5,285	-
7010 Other income	6(3)(27)	98,725	5	198,765	8	356,944	3	382,228	5
7020 Other gains and losses	6(2)(28)	( 81,876)	( 4)	( 698,274)	( 29)	( 618,323)	( 6)	( 404,077)	5
7050 Finance costs	6(6)(29) and 7	( 85,559)	( 4)	( 80,149)	( 3)	( 248,060)	( 2)	( 231,731)	( 3)
7060 Share of profit of associates and joint ventures accounted for under equity method	6(7)								
7000 Total non-operating income and expenses		44,288	2	10,599	1	80,193	1	31,486	-
<b>7900 Profit (loss) before income tax</b>		( 21,231)	( 1)	( 567,937)	( 23)	( 420,537)	( 4)	( 591,345)	7
7950 Income tax expense	6(31)	206,688	10	( 366,961)	( 15)	1,311,890	13	1,245,564	15
<b>8200 Profit (loss) for the period</b>		( 23,534)	( 1)	( 86,754)	( 4)	( 285,557)	( 3)	( 152,215)	( 2)
<b>Other comprehensive income</b>		<b>\$ 183,154</b>	<b>9</b>	<b>( \$ 453,715)</b>	<b>( 19)</b>	<b>\$ 1,026,333</b>	<b>10</b>	<b>\$ 1,093,349</b>	<b>13</b>
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>									
8316 Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(23)	( \$ 10,330)	( 1)	( \$ 428,726)	( 17)	( \$ 312,935)	( 3)	\$ 108,334	1
8310 Components of other comprehensive income that will not be reclassified to profit or loss		( 10,330)	( 1)	( 428,726)	( 17)	( 312,935)	( 3)	108,334	1
<b>8300 Total other comprehensive income (loss) for the period</b>		<b>( \$ 10,330)</b>	<b>( 1)</b>	<b>( \$ 428,726)</b>	<b>( 17)</b>	<b>( \$ 312,935)</b>	<b>( 3)</b>	<b>\$ 108,334</b>	<b>1</b>
<b>8500 Total comprehensive income for the period</b>		<b>\$ 172,824</b>	<b>8</b>	<b>( \$ 882,441)</b>	<b>( 36)</b>	<b>\$ 713,398</b>	<b>7</b>	<b>\$ 1,201,683</b>	<b>14</b>
Profit (loss), attributable to:									
8610 Owners of the parent		\$ 182,660	9	( \$ 429,219)	( 18)	\$ 1,057,450	10	\$ 1,167,814	14
8620 Non-controlling interest		494	-	( 24,496)	( 1)	( 31,117)	-	( 74,465)	( 1)
8600 Total profit (loss), attributable to:		<b>\$ 183,154</b>	<b>9</b>	<b>( \$ 453,715)</b>	<b>( 19)</b>	<b>\$ 1,026,333</b>	<b>10</b>	<b>\$ 1,093,349</b>	<b>13</b>
Comprehensive income (loss) attributable to:									
8710 Owners of the parent		\$ 172,330	8	( \$ 857,945)	( 35)	\$ 744,515	7	\$ 1,276,148	15
8720 Non-controlling interest		494	-	( 24,496)	( 1)	( 31,117)	-	( 74,465)	( 1)
8700 Total comprehensive income (loss) attributable to:		<b>\$ 172,824</b>	<b>8</b>	<b>( \$ 882,441)</b>	<b>( 36)</b>	<b>\$ 713,398</b>	<b>7</b>	<b>\$ 1,201,683</b>	<b>14</b>
Earnings (loss) per share (in dollars)	6(32)								
9750 Basic earnings (loss) per share		\$ 0.11		( \$ 0.26)		\$ 0.65		\$ 0.72	
9850 Diluted earnings (loss) per share		\$ 0.11		( \$ 0.26)		\$ 0.64		\$ 0.72	

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

**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars)  
(Reviewed, not audited)

Notes	Equity attributable to owners of the parent										Non-controlling interest	Total equity		
	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Retained Earnings		Other equity interest		Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total				
				Unappropriated retained earnings	Financial statements translation differences of foreign operations	Other comprehensive income								
<b>Nine months ended September 30, 2021</b>														
Balance at January 1, 2021		\$ 16,233,261	\$ 2,260,513	\$ 2,153,743	\$ 2,313,465	(\$ 48 )	\$ 1,242,305	(\$ 1,003 )	\$ 24,202,236	\$ 223,126	\$ 24,425,362			
Profit (loss) for the period	6(32)	-	-	-	1,167,814	-	-	-	1,167,814	( 74,465 )	1,093,349			
Other comprehensive income for the period	6(3)(23)	-	-	-	-	-	108,334	-	108,334	-	108,334			
Total comprehensive income (loss)		-	-	-	1,167,814	-	108,334	-	1,276,148	( 74,465 )	1,201,683			
Appropriations and distribution of 2020 earnings														
Legal reserve		-	-	79,149	( 79,149 )	-	-	-	-	-	-			
Cash dividends		-	-	-	( 649,330 )	-	-	-	( 649,330 )	-	( 649,330 )			
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	1,370	-	( 1,370 )	-	-	-	-			
Balance at September 30, 2021		\$ 16,233,261	\$ 2,260,513	\$ 2,232,892	\$ 2,754,170	(\$ 48 )	\$ 1,349,269	(\$ 1,003 )	\$ 24,829,054	\$ 148,661	\$ 24,977,715			
<b>Nine months ended September 30, 2022</b>														
Balance at January 1, 2022		\$ 16,233,261	\$ 2,260,513	\$ 2,232,892	\$ 3,129,052	(\$ 48 )	\$ 1,765,082	(\$ 1,003 )	\$ 25,619,749	\$ 147,498	\$ 25,767,247			
Profit (loss) for the period	6(32)	-	-	-	1,057,450	-	-	-	1,057,450	( 31,117 )	1,026,333			
Other comprehensive loss for the period	6(3)(23)	-	-	-	-	-	( 312,935 )	-	( 312,935 )	-	( 312,935 )			
Total comprehensive income (loss)		-	-	-	1,057,450	-	( 312,935 )	-	744,515	( 31,117 )	713,398			
Appropriations and distribution of 2021 earnings:														
Legal reserve		-	-	154,407	( 154,407 )	-	-	-	-	-	-			
Cash dividends	6(22)	-	-	-	( 811,663 )	-	-	-	( 811,663 )	-	( 811,663 )			
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)(23)	-	-	-	4,814	-	( 4,814 )	-	-	-	-			
Changes in non-controlling interest		-	-	-	-	-	-	-	-	150,000	150,000			
Balance at September 30, 2022		\$ 16,233,261	\$ 2,260,513	\$ 2,387,299	\$ 3,225,246	(\$ 48 )	\$ 1,447,333	(\$ 1,003 )	\$ 25,552,601	\$ 266,381	\$ 25,818,982			

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

**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
 (Expressed in thousands of New Taiwan dollars)  
 (Reviewed, not audited)

	Notes	Nine months ended September 30	
		2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 1,311,890	\$ 1,245,564
Adjustments			
Income and expenses having no effect on cash flows			
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(28)	644,312 (	406,656 )
Expected credit impairment loss	12(2)	39 )	434 )
Share of profit of associates and joint ventures accounted for under equity method	6(7)	( 80,193 ) (	31,486 )
Gain on disposal of property, plant and equipment	6(28)	( 27,195 ) (	11,992 )
Loss on disposal of investment property	6(28)	- )	10,806 )
Property, plant and equipment transferred to expenses		409 )	881 )
Gain from changes in lease payments arising from the rent concessions	6(9)	( 1,670 ) (	14,407 )
Gain arising from lease modification	6(9)	( 47 ) (	46 )
Depreciation	6(8)(9)(11)(30)	569,990 )	587,596 )
Amortization	6(12)(30)	47,215 )	47,216 )
Interest expense	6(29)	247,160 )	230,831 )
Interest income	6(26)	( 8,709 ) (	5,285 )
Dividend income	6(3)(27)	( 215,755 ) (	139,756 )
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		( 2,779,926 ) (	1,902,180 )
Current contract assets		113,427 )	57,549 )
Notes receivable		( 22,825 ) (	33,296 )
Accounts receivable		235,092 )	476,894 )
Accounts receivable - related parties		( 132,691 ) (	777 )
Other receivables		13,048 )	91,087 )
Inventories		4,398,328 )	3,427,412 )
Prepayments		30,570 )	5,708 )
Other current assets		( 14,539 ) (	2,201 )
Other non-current liabilities		1,787 )	5,916 )
Net changes in liabilities relating to operating activities			
Current contract liabilities		( 805,714 ) (	3,388 )
Notes payable		610 )	981 )
Accounts payable		( 642,839 ) (	228,834 )
Other payables		66,250 )	124,638 )
Receipts in advance		26,452 )	16,938 )
Other current liabilities		( 30,701 )	6,483 )
Provisions for liabilities - non-current		22,926 )	19,039 )
Net defined benefit liability - non-current		( 12,626 ) (	6,189 )
Other non-current liabilities, others		111 ) (	127 )
Cash inflow generated from operations		2,954,186 )	3,320,077 )
Interest received		8,709 )	5,285 )
Cash dividend received		260,229 )	193,444 )
Interest paid		( 266,591 ) (	256,801 )
Income tax paid		( 229,685 ) (	185,964 )
Net cash flows from operating activities		<u>2,726,848</u>	<u>3,076,041</u>

(Continued)

**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars)  
(Reviewed, not audited)

	Notes	Nine months ended September 30	
		2022	2021
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
(Increase) decrease in financial assets at amortised cost-current		( \$ 228,639 )	\$ 432,696
Acquisition of financial assets at fair value through other comprehensive income-non-current		( 21,905 )	-
Proceeds from disposal of financial assets at fair value through other comprehensive income-non-current		27	1,471
Proceeds from capital reduction of non-current financial assets at fair value through other comprehensive income		-	8,241
(Increase) decrease in financial assets at amortised cost non-current		( 31,085 )	143,912
Proceeds from disposal of investments accounted for under the equity method		-	2,000
Acquisition of property, plant and equipment	6(8)	( 27,503 )	( 31,444 )
Proceeds from disposal of property, plant and equipment		31,060	18,964
Proceeds from disposal of investment property		-	887
Increase in intangible assets	6(12)	( 585 )	( 1,670 )
Decrease (increase) in refundable deposits		34,681	( 12,641 )
Net cash flows (used in) from investing activities		<u>( 243,949 )</u>	<u>562,416</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Decrease in short-term borrowings	6(34)	( 174,860 )	( 166,000 )
(Decrease) increase in short-term notes and bills payable	6(34)	( 250,000 )	70,000
Repayments of bonds	6(34)	( 2,000,000 )	-
Proceeds from issuance of bonds	6(34)	2,000,000	-
Repayment of long-term borrowings	6(34)	( 1,151,624 )	( 13,812,788 )
Proceeds from long-term borrowings	6(34)	300,000	10,510,430
(Decrease) increase in guarantee deposits received	6(34)	( 94 )	29,301
Payments of lease liabilities	6(34)	( 336,260 )	( 329,074 )
Cash dividends paid	6(22)	( 811,663 )	( 649,330 )
Change in non-controlling interest		150,000	-
Net cash flows used in financing activities		<u>( 2,274,501 )</u>	<u>( 4,347,461 )</u>
Net increase (decrease) in cash and cash equivalents		208,398	( 709,004 )
Cash and cash equivalents at beginning of period		6,880,644	5,406,601
Cash and cash equivalents at end of period		<u>\$ 7,089,042</u>	<u>\$ 4,697,597</u>

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

**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(Reviewed, not audited)

**1. HISTORY AND ORGANIZATION**

- (1) Prince Housing & Development Corp. (the “Company”) was established in September 1973, under the Company Act and other related regulations. The Company is primarily engaged in the construction, leasing and sale of public housing, commercial building, tourism/recreation place (children’s playground, water park, etc.) and parking lot/parking tower, and leasing and sale of real estate. The common shares of the Company have been listed on the Taiwan Stock Exchange since April 1991.
- (2) The main activities of the Company and its subsidiaries (collectively referred herein as the “Group”) are provided in Note 4(3) B.

**2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION**

These consolidated financial statements were reported to the Board of Directors on November 4, 2022.

**3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

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

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

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

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

New standards, interpretations and amendments endorsed by FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2021, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

**(1) Compliance statement**

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2021.

## (2) Basis of preparation

A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:

- (a) Financial assets (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less unrecognised actuarial gains and present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

## (3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis for preparation for the current period financial statements and the 2021 consolidated financial statements is the same.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		
			September 30, 2022	December 31, 2021	Description
Prince Housing & Development Corp.	Prince Property Management Consulting Co.	Real estate managers	100	100	Note 2
	Cheng-Shi Investment Holdings Co., Ltd.	General investments	100	100	
	Prince Housing Investment Corp.	Overseas investment	100	100	Note 2
	The Splendor Hospitality International Co., Ltd.	Hotels and catering	50	50	Notes 1 and 2
	Jin-Yi-Xing Plywood Co., Ltd.	Manufacture of plywood	99.65	99.65	Note 2
	Prince Industrial Co.	Development of public housing and building	100	100	Note 2
	Prince Real Estate Co., Ltd.	Real estate trading and leasing	99.68	99.68	Note 2
Prince Property Management Consulting Co.	Times Square International Holding Company	General investments	100	100	
	Prince Apartment Management & Maintenance Co., Ltd.	Management of apartment	100	100	Note 2
	Prince Security & Guard Co., Ltd.	Security	100	100	Note 2
Cheng-Shi Investment Holdings Co., Ltd.	Ta-Chen Construction & Engineering Corp.	Construction	100	100	
	Prince Utility Co., Ltd.	Electricity and water pipe maintenance	100	100	Note 2
	Cheng-Shi Construction Co., Ltd.	Construction	100	100	Note 2
	Times Square International Hotel Corp.	Hotels and catering	100	100	
Times Square International Holding Company	Times Square International Stays Corp.	Hotels and catering	100	100	Note 2

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			September 30, 2021		
Prince Housing & Development Corp.	Prince Property Management Consulting Co.	Real estate managers	100		Note 2
	Cheng-Shi Investment Holdings Co., Ltd.	General investments	100		
	Prince Housing Investment Corp.	Overseas investment	100		Note 2
	The Splendor Hospitality International Co., Ltd.	Hotels and catering	50		Notes 1 and 2
	Jin-Yi-Xing Plywood Co., Ltd.	Manufacture of plywood	99.65		Note 2
	Prince Industrial Co.	Development of public housing and building	100		Note 2
Prince Property Management Consulting Co.	Prince Real Estate Co., Ltd.	Real estate trading and leasing	99.68		Note 2
	Times Square International Holding Company	General investments	100		
	Prince Apartment Management & Maintenance Co., Ltd.	Management of apartment	100		Note 2
Cheng-Shi Investment Holdings Co., Ltd.	Prince Security & Guard Co., Ltd.	Security	100		Note 2
	Ta-Chen Construction & Engineering Corp.	Construction	100		
Times Square International Holding Company	Prince Utility Co., Ltd.	Electricity and water pipe maintenance	100		Note 2
	Cheng-Shi Construction Co., Ltd.	Construction	100		
	Times Square International Hotel Corp.	Hotels and catering	100		Note 2
	Times Square International Stays Corp.	Hotels and catering	100		Note 2

Note 1: The Group does not directly or indirectly own above 50% of voting shares of The Splendor Hospitality Int. Co., Ltd.. However, as the Group has control over the finance and operations of the company, it is included in the consolidated financial statements.

Note 2: The financial statements of the entity as of and for the nine months ended September 30, 2022 and 2021 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

The Group's non-controlling interest is not material and thus, is not applicable.

#### (4) Employee benefits

Pensions-defined contribution plan

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

#### (5) Income taxes

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pre-tax income of the interim period, and the related information is disclosed accordingly.

## 5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

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

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

#### Investment property

The Group uses a portion of the property for its own use and another portion to earn rentals or for capital appreciation. When these portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own-use portion represents an insignificant portion of the property.

### (2) Critical accounting estimates and assumptions

#### Revenue recognition

Construction contract revenue should be recognised by reference to the stage of completion in the contract period using the percentage of completion method. Construction costs are recognised in the period incurred. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed up to the balance sheet date to the estimated total contract costs.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Cash on hand and revolving funds	\$ 9,045	\$ 13,812	\$ 11,856
Checking accounts and demand deposits	5,777,339	6,165,839	3,730,088
Time deposits	-	-	155,000
Repurchase bonds	1,302,658	700,993	800,653
	<u>\$ 7,089,042</u>	<u>\$ 6,880,644</u>	<u>\$ 4,697,597</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The repurchase bonds held by the Group have high liquidity, so they were classified as cash equivalents.
- C. Details of time deposits maturing in excess of three months and compensation balance of borrowings pledged to others as collateral which were classified as financial assets at amortised cost, are provided in Note 6(4).

D. Details of the interest income from the aforementioned pledged bank deposits which was recognised under interest income, are provided in Note 6(26).

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

Items	September 30, 2022	December 31, 2021	September 30, 2021
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 5,899,175	\$ 3,119,187	\$ 2,799,398
Valuation adjustment	25,007	11,249	9,825
	<u>\$ 5,924,182</u>	<u>\$ 3,130,436</u>	<u>\$ 2,809,223</u>

Non-current items:

Financial assets mandatorily measured at fair value through profit or loss			
Listed (TSE and OTC) stocks	\$ 264,520	\$ 264,520	\$ 264,520
Beneficiary certificates	76,000	76,000	76,000
	340,520	340,520	340,520
Valuation adjustments	216,736	874,868	957,462
	<u>\$ 557,256</u>	<u>\$ 1,215,388</u>	<u>\$ 1,297,982</u>

- A. The Group recognised net (losses) gains of (\$81,816), (\$693,154), (\$644,312) and \$406,656 on financial assets at fair value through profit or loss for the three months and nine months ended September 30, 2022 and 2021, respectively.
- B. Details of the Group's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

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

Items	September 30, 2022	December 31, 2021	September 30, 2021
Non-current items:			
Designation of equity instruments			
Listed stocks	\$ 115,144	\$ 115,144	\$ 115,144
Unlisted stocks	902,197	880,416	884,722
	1,017,341	995,560	999,866
Valuation adjustments	1,449,325	1,762,163	1,345,163
	<u>\$ 2,466,666</u>	<u>\$ 2,757,723</u>	<u>\$ 2,345,029</u>

- A. The Group has elected to classify stocks that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$2,466,666, \$2,757,723 and \$2,345,029 as at September 30, 2022, December 31, 2021 and September 30, 2021, respectively.
- B. For the nine months ended September 30, 2022, the unlisted company which was invested by the Group was liquidated, therefore, the Group reclassified accumulated gains of \$4,814 from other equity to retained earnings.
- C. Aiming to adjust its investment strategies, the Group sold \$1,471 of unlisted stocks at fair value and resulted in cumulative gains on disposal of \$1,370 during the nine months ended September 30, 2021.
- D. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended September 30,	
	2022	2021
<b><u>Equity instruments at fair value through other comprehensive income</u></b>		
Fair value change recognised in other comprehensive income	(\$ 10,330)	(\$ 428,726)
Cumulative gains reclassified to retained earnings due to derecognition	\$ -	\$ 1,370
Dividend income recognized in profit or loss held at end of period	\$ 69,459	\$ 54,501
<b><u>Nine months ended September 30,</u></b>		
	2022	2021
<b><u>Equity instruments at fair value through other comprehensive income</u></b>		
Fair value change recognised in other comprehensive income	(\$ 312,935)	\$ 108,334
Cumulative gains reclassified to retained earnings due to derecognition	\$ 4,814	\$ 1,370
Dividend income recognized in profit or loss held at end of period	\$ 122,463	\$ 86,403

- E. Details of the Group's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

**(4) Financial assets at amortised cost**

Items	September 30, 2022	December 31, 2021	September 30, 2021
Current items:			
Time deposits maturing in excess of three months	\$ 964,233	\$ 730,637	\$ 488,679
Trust account	\$ 30,324	\$ 35,281	\$ 39,585
	<b>\$ 994,557</b>	<b>\$ 765,918</b>	<b>\$ 528,264</b>

Items	September 30, 2022	December 31, 2021	September 30, 2021
Non-current items:			
Compensating balance	\$ 503,317	\$ 472,369	\$ 467,502
Pledged certificate of deposit	161,758	161,621	161,419
	<u>\$ 665,075</u>	<u>\$ 633,990</u>	<u>\$ 628,921</u>

A. As at September 30, 2022, December 31, 2021 and September 30, 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$1,659,632, \$1,399,908 and \$1,157,185, respectively.

B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality so the Group expects that the probability of counterparty default is remote.

**(5) Notes and accounts receivable**

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable	\$ 52,177	\$ 29,352	\$ 59,230
Accounts receivable	\$ 488,550	\$ 723,642	\$ 549,132
Less: Allowance for doubtful accounts	(303) (264) (274)		
	\$ 488,247	\$ 723,378	\$ 548,858
Accounts receivable - related parties	\$ 139,151	\$ 6,460	\$ 4,826

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

	September 30, 2022		December 31, 2021		September 30, 2021	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Without past due	\$ 52,177	\$ 623,383	\$ 29,352	\$ 723,022	\$ 59,230	\$ 552,890
Up to 30 days	-	-	-	5,182	-	-
31 to 60 days	-	3,649	-	918	-	554
61 to 90 days	-	161	-	259	-	160
Over 91 days	-	508	-	721	-	354
	<u>\$ 52,177</u>	<u>\$ 627,701</u>	<u>\$ 29,352</u>	<u>\$ 730,102</u>	<u>\$ 59,230</u>	<u>\$ 553,958</u>

The above ageing analysis was based on past due date.

B. As at September 30, 2022, December 31, 2021, September 30, 2021 and January 1, 2021, the balances of receivables (including notes receivable) from contracts with customers amounted to \$608,529, \$725,858, \$546,046 and \$1,024,767, respectively.

C. As at September 30, 2022, December 31, 2021 and September 30, 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$52,177, \$29,352 and \$59,230, respectively; the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$627,398, \$729,838 and \$553,684, respectively.

D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

E. The Group does not hold any collateral pledged for notes and accounts receivable.

**(6) Inventories**

	September 30, 2022		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 5,573,389	(\$ 62,573)	\$ 5,510,816
Construction in progress	131,592	-	131,592
Buildings and land held for sale	1,045,131	( 7,401)	1,037,730
Prepayment for land	228,635	-	228,635
Merchandise	14,921	-	14,921
	<u>\$ 6,993,668</u>	<u>(\$ 69,974)</u>	<u>\$ 6,923,694</u>
	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 5,594,885	(\$ 62,573)	\$ 5,532,312
Construction in progress	111,320	-	111,320
Buildings and land held for sale	5,439,238	( 8,007)	5,431,231
Prepayment for land	228,635	-	228,635
Merchandise	18,524	-	18,524
	<u>\$ 11,392,602</u>	<u>(\$ 70,580)</u>	<u>\$ 11,322,022</u>
	September 30, 2021		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 5,586,663	(\$ 62,573)	\$ 5,524,090
Construction in progress	103,305	-	103,305
Buildings and land held for sale	7,383,219	( 8,007)	7,375,212
Prepayment for land	228,635	-	228,635
Merchandise	19,355	-	19,355
	<u>\$ 13,321,177</u>	<u>(\$ 70,580)</u>	<u>\$ 13,250,597</u>

A. The cost of inventories recognised as expense for the three months and nine months ended September 30, 2022 and 2021 was \$956,935, \$1,581,731, \$5,826,878 and \$5,251,950, respectively, including the amounts of \$0, \$202, \$606 and \$3,065, respectively, that the Group wrote down from cost to net realisable value accounted for as cost of goods sold.

B. Details of the Group's inventories pledged to others as collateral are provided in Note 8.

C. The interest capitalized as cost of inventory is as follows:

	Three months ended September 30,	
	2022	2021
Interest paid before capitalization	\$ 85,714	\$ 82,546
Interest capitalized	\$ 455	\$ 2,697
Annual interest rate used for capitalization	0.74%-0.83%	0.74%-2.17%
	Nine months ended September 30,	
	2022	2021
Interest paid before capitalization	\$ 248,591	\$ 261,783
Interest capitalized	\$ 1,431	\$ 30,952
Annual interest rate used for capitalization	0.72%-1.00%	0.74%-2.23%

D. Details of significant inventories (Eliminations and adjustments for consolidation were not included in the following information):

(a) Buildings and land in progress

Taipei branch	September 30, 2022	December 31, 2021	September 30, 2021
Bali Dist Chung Chang Section No.222 and 211-1, etc.	\$ 692,254	\$ 693,710	\$ 689,561
<u>Taichung branch</u>			
Beitun Dist. Rong-De Lot No.129, etc.	764,372	763,123	759,132
Jin Shuei Dist. Wu Show Section No. 1037, No. 1038, No. 1040, etc.	216,704	212,263	212,263
	981,076	975,386	971,395
<u>Tainan branch</u>			
Jin Hua Section No. 1361	689,315	689,315	689,315
Shan Chia Section No. 939, etc.	156,489	156,453	156,438
Others	3,738	3,738	3,738
	849,542	849,506	849,491
<u>Kaohsiung branch</u>			
Prince Cloud B (Ren Wu New Hougang West Section No .42, etc.)	364,370	364,370	364,370
Ren Wu New Hougang West Section No. 88 experimental house	72,933	72,933	72,933
	437,303	437,303	437,303
Total buildings and land in process	\$ 2,960,175	\$ 2,955,905	\$ 2,947,750

**(b) Undeveloped land held for construction site**

<u>Taipei branch</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Zhong Li Pu Ren Lot No. 720, etc.	\$ 140,156	\$ 140,156	\$ 140,156
Others	5,978	5,978	5,978
	<u>146,134</u>	<u>146,134</u>	<u>146,134</u>
<u>Taichung branch</u>			
Wu Feng Lot No. 365~855 etc.	\$ 175,661	\$ 175,661	\$ 175,661
Song Quan Lot No. 164 etc.	137,697	137,697	137,697
Tu Ku Section No. 9-7, etc.	55,167	55,167	55,167
Song Chang Lot No. 577 etc.	19,912	19,912	19,912
Hou Long Zi Section No. 133-004	19,513	19,513	19,513
Others	11,840	11,840	11,840
	<u>419,790</u>	<u>419,790</u>	<u>419,790</u>
<u>Tainan branch</u>			
Shan Zhong Lot No. 1468, 1475 & 1476 etc.	234,699	234,699	234,699
Xue Zhong Lot No. 679, etc.	50,798	50,798	50,798
Yong Kang Ding An Lot No. 879, etc.	28,610	28,610	28,610
Bei An Section No. 54-3, etc.	28,317	28,317	28,317
Chin An Section No. 373~377	15,139	15,139	15,139
Bao An Lot No. 882, etc.	10,325	10,325	10,325
Others	14,550	14,550	14,550
	<u>382,438</u>	<u>382,438</u>	<u>382,438</u>
<u>Kaohsiung branch</u>			
Ren Wu New Hougang West Section No. 53, etc.	905,077	905,077	905,077
Ren Wu New Hougang West Section No. 30 & 52-74	407,357	407,357	407,357
Ren Wu Xiahai Section No. 642, 669 & 940, etc.	41,668	41,668	41,668
Da Hua Lot No. 434 & 436	13,923	13,923	13,923
	<u>1,368,025</u>	<u>1,368,025</u>	<u>1,368,025</u>
Total undeveloped land held for construction site	<u>\$ 2,316,387</u>	<u>\$ 2,316,387</u>	<u>\$ 2,316,387</u>

**(c) Buildings and land held for sale**

<u>Taipei branch</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Prince Hua Wei	\$ 615,951	\$ 724,512	\$ 724,512
Prince Yuan	82,586	1,619,244	2,333,340
Taipei Shin Yi (Xin Zhuang Fuduxin)	31,171	238,427	443,694
Prince W	18,542	138,082	138,082
Prince Dai Din	12,025	12,025	12,025
Prince Pine Garden	9,133	18,265	18,265
	<u>769,408</u>	<u>2,750,555</u>	<u>3,669,918</u>
<u>Taichung branch</u>			
Prince Xian Heng	117,800	464,760	723,298
Prosperous New World	27,713	27,713	58,964
Prince Holiday Mansion	9,058	9,058	9,058
Others	6,118	6,118	6,118
	<u>160,689</u>	<u>507,649</u>	<u>797,438</u>

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Tainan branch</u>			
Jun Chan LV	\$ 19,725	\$ 19,725	\$ 19,725
Prince WIN2 Future	11,837	11,837	11,837
Word of Peak	10,447	140,179	208,154
Prince Golden Age	4,145	4,145	4,145
Prince Flower Bo Five	-	-	89,298
Others	2,292	2,292	2,292
	<u>48,446</u>	<u>178,178</u>	<u>335,451</u>
<u>Kaohsiung branch</u>			
Prince Castle (Townhouse)	30,132	637,677	819,209
Prince Cloud C Apartment	25,911	25,911	25,911
Cozy Prince Mansion	23,073	924,582	935,128
Prince Castle (Building)	5,665	274,485	638,492
Prince Dai Din	3,259	5,215	5,215
Prince Cloud D	-	-	22,206
	<u>88,040</u>	<u>1,867,870</u>	<u>2,446,161</u>
Total buildings and land held for sale	<u>\$ 1,066,583</u>	<u>\$ 5,304,252</u>	<u>\$ 7,248,968</u>

**(d)Prepayment for land**

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Tainan branch</u>			
Ren Wu New Hougang West Section No. 20, etc.	\$ 228,635	\$ 228,635	\$ 228,635

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E. Disclosure of significant constructions:

(a) As of September 30, 2022, significant constructions are set forth below:

Name of construction contract	Contract amount	Estimated construction cost	Percentage of completion	Accumulated construction profit/(loss)
Xinshi Logistics Park (Uni President Express)	\$ 4,500,000	\$ 4,295,041	13.64%	\$ 27,956
Tai She Zhi Shan Yuan - New construction	2,518,640	2,380,114	96.50%	133,678
Construction of T.S. Landmark Plaza (\$1.2 billion)	1,962,547	1,927,535	100.00%	35,012
Chunghwa Telecom-a turnkey project in Nangang	1,955,238	1,886,806	22.34%	15,288
Tainan Metropolitan Expressway	1,756,916	1,677,900	92.22%	72,869
Beitou Shilin Science and Technology Park	1,231,886	1,170,292	63.96%	39,396
No.3, Zhonglu, Taoyuan City	1,219,038	1,158,086	91.77%	55,936
Urban land consolidation engineering of Bei An commercial district	1,051,411	998,834	24.48%	12,871
Construction of T.S. Landmark Plaza (\$0.8 billion)	1,013,032	984,315	98.89%	28,398

(b) As of December 31, 2021, significant constructions are set forth below:

Name of construction contract	Contract amount	Estimated construction cost	Percentage of completion	Accumulated construction profit/(loss)
Xinshi Logistics Park (Uni President Express)	\$ 4,500,000	\$ 4,295,041	4.68%	\$ 9,592
Tai She Zhi Shan Yuan - New construction	2,484,287	2,394,067	95.15%	85,844
Construction of T.S. Landmark Plaza (\$1.2 billion)	1,962,547	1,911,716	99.93%	50,795
Chunghwa Telecom-a turnkey project in Nangang	1,955,238	1,876,325	12.80%	10,101
Tainan Metropolitan Expressway	1,736,336	1,658,226	85.12%	66,487
Beitou Shilin Science and Technology Park	1,231,886	1,170,292	40.24%	24,785
No.3, Zhonglu, Taoyuan City	1,151,305	1,093,740	73.23%	42,155
Urban land consolidation engineering of Bei An commercial district	1,043,280	991,116	5.77%	3,010
Construction of T.S. Landmark Plaza (\$0.8 billion)	1,013,032	984,315	98.61%	28,318

(c) As of September 30, 2021, significant constructions are set forth below:

Name of construction contract	Contract amount	Estimated construction cost	Percentage of completion	Accumulated construction profit/(loss)
Xinshi Logistics Park (Uni President Express)	\$ 4,500,000	\$ 4,295,041	0.11%	\$ 225
Tai She Zhi Shan Yuan - New construction	2,484,287	2,394,067	94.56%	85,312
Construction of T.S. Landmark Plaza (\$1.2 billion)	1,962,547	1,911,716	94.27%	47,918
Chunghwa Telecom-a turnkey project in Nangang	1,955,238	1,876,325	1.77%	1,397
Tainan Metropolitan Expressway	1,689,945	1,614,046	82.40%	62,541
Beitou Shilin Science and Technology Park	1,231,886	1,170,292	28.05%	17,277
No.3, Zhonglu, Taoyuan City	1,151,305	1,093,740	62.51%	35,984
Urban land consolidation engineering of Bei An commercial district	1,043,280	991,116	1.26%	657
Construction of T.S. Landmark Plaza (\$0.8 billion)	1,013,032	984,315	96.93%	27,835

**(7) Investments accounted for under the equity method**

Name of associates	September 30, 2022		December 31, 2021		September 30, 2021	
	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Geng-Ding Co., Ltd.	\$ 309,411	30.00%	\$ 289,158	30.00%	\$ 282,624	30.00%
Uni-President Development Corp.	1,151,759	30.00%	1,136,331	30.00%	1,136,320	30.00%
PPG Investment Inc.	25,286	27.30%	23,161	27.30%	23,281	27.30%
Queen Holdings Ltd.	399,128	27.30%	401,215	27.30%	398,170	27.30%
Amida Truslink Assets Management Co., Ltd. (Note)	<u>-</u>	45.21%	<u>-</u>	45.21%	<u>-</u>	45.21%
	<u>\$1,885,584</u>		<u>\$ 1,849,865</u>		<u>\$ 1,840,395</u>	

Note: As of September 30, 2022, December 31, 2021 and September 30, 2021, the book value of the Company's investment in Amida Truslink Assets Management Co., Ltd. was a credit balance, thus, the investment was transferred to other non-current liabilities which amounted to \$140,095, \$140,095 and \$139,754, respectively.

**Associates**

A. The basic information of the associate that is material to the Group is as follows:

Company name	Principal place of business	Nature of relationship	Method of measurement
Uni President Development Corp.	Taiwan	Strategic investments	Equity method

B. The summarized financial information of the associate that is material to the Group is as follows:

**Balance sheet**

	Uni President Development Corp.		
	September 30, 2022	December 31, 2021	September 30, 2021
Current assets	\$ 207,432	\$ 64,375	\$ 191,671
Non-current assets	6,849,371	7,089,404	7,177,381
Current liabilities	( 2,511,955)	( 3,107,227)	( 2,799,592)
Non-current liabilities	( 705,650)	( 258,782)	( 781,727)
Total net assets	\$ 3,839,198	\$ 3,787,770	\$ 3,787,733
Share in associate's net assets	<u>\$ 1,151,759</u>	<u>\$ 1,136,331</u>	<u>\$ 1,136,320</u>

Statements of comprehensive income

	<u>Uni President Development Corp.</u>	
	<u>Three months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
Revenue	\$ 233,051	\$ 222,685
Profit for the period from continuing operations	\$ 48,623	\$ 32,725
Total comprehensive income	\$ 48,623	\$ 32,725
Dividends received from associates	\$ 26,028	\$ 29,680

  

	<u>Uni President Development Corp.</u>	
	<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
Revenue	\$ 691,787	\$ 682,716
Profit for the period from continuing operations	\$ 138,188	\$ 96,488
Total comprehensive income	\$ 138,188	\$ 96,488
Dividends received from associates	\$ 26,028	\$ 29,680

C. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of September 30, 2022, December 31, 2021 and September 30, 2021, the carrying amount of the Group's individually immaterial associates amounted to \$593,730, \$573,439 and \$564,321, respectively.

	<u>Three months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
Profit (loss) for the period from continuing operations	\$ 102,823	(\$ 1,446)
Other comprehensive loss, net of tax	-	-
Total comprehensive income (loss)	\$ 102,823	(\$ 1,446)

  

	<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
Profit for the period from continuing operations	\$ 136,133	\$ 22,532
Other comprehensive income, net of tax	-	-
Total comprehensive income	\$ 136,133	\$ 22,532

D. The Group's investments had no quoted market price.

E. The Group's investments accounted for using the equity method expressed herein was solely based on the investees' financial statements of the same reporting periods which were not reviewed by independent auditors. For the three months and nine months ended September 30, 2022 and 2021, the Group recognised share of profit of associates and joint venture accounted for using equity method of \$44,288, \$10,599, \$80,193 and \$31,486 and the investments as at September 30, 2022 and 2021, totalled \$1,745,489 and \$1,700,641, respectively. The disclosures in relation to certain investments accounted for using the equity method as at December 31, 2021,

were solely based on investees' financial statements which were audited by other independent auditors. The investments accounted for using the equity method as at December 31, 2021 was \$573,439.

F. Details of the Group's investments accounted for under the equity method pledged to others as collateral are provided in Note 8.

**(8) Property, plant and equipment**

A. Details of book values are as follows:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Land	\$ 2,848,606	\$ 2,850,275	\$ 2,850,275
Buildings and structures	2,331,138	2,413,315	2,440,423
Machinery and equipment	1,248	1,754	2,004
Computer and communication equipment	4,908	3,436	3,521
Transportation equipment	743	1,661	1,697
Office equipment	198,690	212,268	218,544
Leasehold improvements	98,474	118,754	128,463
Other equipment	50,395	49,960	50,487
Construction in progress and equipment under acceptance	4,557	7,285	4,958
	<u>\$ 5,538,759</u>	<u>\$ 5,658,708</u>	<u>\$ 5,700,372</u>

B. Changes in property, plant and equipment for the period are as follows:

Cost	Nine months ended September 30, 2022				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land					
Assets used by the Company	\$ 1,438,664	\$ -	(\$ 1,669)	\$ -	\$ 1,436,995
Assets subject to operating leases	1,411,611	-	-	-	1,411,611
Buildings and structures					
Assets used by the Company	1,915,605	150	( 1,572)	-	1,914,183
Assets subject to operating leases	1,863,393	-	-	-	1,863,393
Machinery and equipment	16,566	-	-	-	16,566
Computer and communication equipment	63,444	2,349	( 1,097)	-	64,696
Transportation equipment	9,714	30	( 7,770)	-	1,974
Office equipment	869,429	14,603	( 12,000)	8,244	880,276
Leasehold improvements	840,505	693	-	-	841,198
Other equipment	104,346	4,162	( 660)	( 409)	107,439
Construction in progress and equipment under acceptance	7,285	5,516	-	( 8,244)	4,557
	<u>\$ 8,540,562</u>	<u>\$ 27,503</u>	<u>(\$ 24,768)</u>	<u>(\$ 409)</u>	<u>\$ 8,542,888</u>

Cost	Nine months ended September 30, 2021				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
<b>Land</b>					
Assets used by the Company	\$ 1,441,464	\$ -	(\$ 2,800)	\$ -	\$ 1,438,664
Assets subject to operating leases	1,411,611	-	-	-	1,411,611
<b>Buildings and structures</b>					
Assets used by the Company	1,920,287	122	( 4,845)	-	1,915,564
Assets subject to operating leases	1,863,552	-	-	-	1,863,552
Machinery and equipment	16,566	-	-	-	16,566
Computer and communication equipment	61,672	1,699	-	-	63,371
Transportation equipment	10,255	-	( 655)	-	9,600
Office equipment	866,506	17,252	( 12,958)	668	871,468
Leasehold improvements	836,997	2,916	( 99)	-	839,814
Other equipment	98,616	5,572	( 179)	( 133)	103,876
Construction in progress and prepayments for equipment	<u>1,268</u>	<u>3,883</u>	<u>-</u>	<u>( 193)</u>	<u>4,958</u>
	<u>\$ 8,528,794</u>	<u>\$ 31,444</u>	<u>(\$ 21,536)</u>	<u>\$ 342</u>	<u>\$ 8,539,044</u>

Accumulated depreciation	Nine months ended September 30, 2022				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
<b>Buildings and structures</b>					
Assets used by the Company	\$ 662,717	\$ 33,896	(\$ 775)	\$ -	\$ 695,838
Assets subject to operating leases	702,966	47,634	-	-	750,600
Machinery and equipment	14,812	506	-	-	15,318
Computer and communication equipment	60,008	877	( 1,097)	-	59,788
Transportation equipment	8,053	381	( 7,203)	-	1,231
Office equipment	657,161	36,242	( 11,817)	-	681,586
Leasehold improvements	721,751	20,973	-	-	742,724
Other equipment	<u>54,386</u>	<u>2,669</u>	<u>( 11)</u>	<u>-</u>	<u>57,044</u>
	<u>\$ 2,881,854</u>	<u>\$ 143,178</u>	<u>(\$ 20,903)</u>	<u>\$ -</u>	<u>\$ 3,004,129</u>

Accumulated depreciation	Nine months ended September 30, 2021				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
<b>Buildings and structures</b>					
Assets used by the Company	\$ 618,853	\$ 33,947	(\$ 1,354)	\$ -	\$ 651,446
Assets subject to operating leases	639,616	47,631	-	-	687,247
Machinery and equipment	13,759	803	-	-	14,562
Computer and communication equipment	59,081	769	-	-	59,850
Transportation equipment	7,950	500	( 547)	-	7,903
Office equipment	626,667	38,853	( 12,596)	-	652,924
Leasehold improvements	677,514	33,887	( 50)	-	711,351
Other equipment	<u>50,183</u>	<u>3,223</u>	<u>( 17)</u>	<u>-</u>	<u>53,389</u>
	<u>\$ 2,693,623</u>	<u>\$ 159,613</u>	<u>(\$ 14,564)</u>	<u>\$ -</u>	<u>\$ 2,838,672</u>

C. Details of the Group's property, plant and equipment pledged to others as collateral are provided in Note 8.

(9) Leasing arrangements – lessee

A. The Group leases various assets including offices, cafeterias, vehicles, private branch exchange telephone system and business area. Rental contracts are typically made for periods of 2 to 25 years. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes, and all or certain assets leased from associations and other related parties can be subleased to associations with the lessors' agreement. Remaining lease assets cannot be lent, subleased, sold or granted in any different form to the third parties.

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

	September 30, 2022	December 31, 2021	September 30, 2021
	Book value	Book value	Book value
Land	\$ 11,466	\$ 13,332	\$ 13,954
Buildings and structures	6,339,445	6,693,565	6,812,663
Machinery and equipment (private branch exchange)	-	-	-
Transportation equipment (business vehicles)	764	1,301	1,971
	<u>\$ 6,351,675</u>	<u>\$ 6,708,198</u>	<u>\$ 6,828,588</u>
Three months ended September 30,			
	2022	2021	
	Depreciation expense	Depreciation expense	
Land	\$ 622	\$ 622	
Buildings and structures	120,096	120,318	
Machinery and equipment (private branch exchange)	-	-	-
Transportation equipment (business vehicles)	163	158	
	<u>\$ 120,881</u>	<u>\$ 121,098</u>	

	Nine months ended September 30,	
	2022	2021
	Depreciation expense	Depreciation expense
Land	\$ 1,866	\$ 1,866
Buildings and structures	360,404	361,553
Machinery and equipment (private branch exchange)	-	71
Transportation equipment (business vehicles)	538	483
	<u>\$ 362,808</u>	<u>\$ 363,973</u>

C. For the three months and nine months ended September 30, 2022 and 2021, the additions to right-of-use assets and lease liabilities were \$4,419, \$0, \$7,401 and \$14,723, respectively.

D. Information on profit or loss in relation to lease contracts is as follows:

	Three months ended September 30,	
	2022	2021
<b><u>Items affecting profit or loss</u></b>		
Interest expense on lease liabilities	\$ 29,683	\$ 31,511
Expense on short-term lease contracts	1,093	868
Expense on leases of low-value assets	195	150
Profit from lease modification	21	33

	Nine months ended September 30,	
	2022	2021
<b><u>Items affecting profit or loss</u></b>		
Interest expense on lease liabilities	\$ 90,418	\$ 95,849
Expense on short-term lease contracts	3,011	2,698
Expense on leases of low-value assets	977	493
Profit from lease modification	47	46

E. For the three months and nine months ended September 30, 2022 and 2021, the Group's total cash outflow for leases amounted to \$146,632, \$136,941, \$430,666 and \$428,114, respectively.

F. Variable lease payments

(a) Some of the Group's lease contracts contain variable lease payment terms that are linked to volume of business generated from a business area. For business areas, up to 1.80% of lease payments are on the basis of variable payment terms and are accrued based on the revenue. Variable payment terms are used for a variety of reasons, including additional revenue exceeding the base revenue, and rental income is calculated based on an agreed upon rate of revenue. Various lease payments that depend on revenue are recognised in profit or loss in the period in which the event or condition that triggers those payments occur.

(b) A 10% increase in the aggregate revenue of all business areas with such variable lease contracts would increase total lease payments by approximately 9.58%.

G. Extension and termination options

- (a) Extension options are included in approximately 92% of the Group's lease contracts pertaining to offices, business areas and cafeterias. These terms and conditions aim to maximise optional flexibility in terms of managing contracts.
- (b) In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

H. The Group has applied the practical expedient to "Covid-19-related rent concessions", and recognised the gain from changes in lease payments arising from the rent concessions amounting to \$0, \$14,407, \$1,670 and \$14,407 by increasing other income for the three months and nine months ended September 30, 2022 and 2021, respectively.

(10) Leasing arrangements – lessor

- A. The Group leases various assets including offices, dormitories, long-term rental suites and parking lot. Rental contracts are typically made for periods ranging from 0.5 and 23 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To secure leased assets, the lessee may be asked that leased assets may not be used as security for borrowing purposes or cannot be lent, subleased, sold or granted in any different form to the third parties by the lessors.
- B. Gain arising from operating lease agreements for the three months and nine months ended September 30, 2022 and 2021 are as follows:

	Three months ended September 30	
	2022	2021
Rent income	\$ 116,740	\$ 106,552
Rent income arising from variable lease payments	\$ 19,080	\$ 19,426
Nine months ended September 30,		
	2022	2021
Rent income	\$ 358,052	\$ 342,693
Rent income arising from variable lease payments	\$ 46,752	\$ 40,089

C. The maturity analysis of the lease payments under the operating leases is as follows:

	September 30, 2022
October 1, 2022 to September 30, 2023	\$ 373,100
October 1, 2023 to September 30, 2027	410,564
After October 1, 2027	66,832
	<hr/>
	\$ 850,496

	<u>September 30, 2021</u>
October 1, 2021 to September 30, 2022	\$ 399,487
October 1, 2022 to September 30, 2026	572,414
After October 1, 2026	<u>87,795</u>
	<u><u>\$ 1,059,696</u></u>

(11) Investment property

A. Details of book values are as follows:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Land	\$ 207,077	\$ 207,077	\$ 207,077
Leased assets-land	2,597,386	2,597,386	2,597,387
Leased assets-buildings	2,616,610	2,680,614	2,702,043
	<u><u>\$ 5,421,073</u></u>	<u><u>\$ 5,485,077</u></u>	<u><u>\$ 5,506,507</u></u>

B. Changes in investment property for the period are as follows:

	<u>Nine months ended September 30, 2022</u>				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	\$ 207,077	\$ -	\$ -	\$ -	\$ 207,077
Leased assets - land	2,597,386	-	-	-	2,597,386
Leased assets - buildings	3,947,476	-	-	-	3,947,476
	<u><u>\$ 6,751,939</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,751,939</u></u>

	<u>Nine months ended September 30, 2021</u>				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	\$ 207,077	\$ -	\$ -	\$ -	\$ 207,077
Leased assets - land	2,600,824	-	( 3,437)	-	2,597,387
Leased assets - buildings	3,958,822	-	( 11,346)	-	3,947,476
	<u><u>\$ 6,766,723</u></u>	<u><u>\$ -</u></u>	<u><u>(\$ 14,783)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,751,940</u></u>

	<u>Nine months ended September 30, 2022</u>				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Accumulated depreciation	\$ 1,266,862	\$ 64,004	\$ -	\$ -	\$ 1,330,866
Leased assets - buildings					

	<u>Nine months ended September 30, 2021</u>				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Accumulated depreciation	\$ 1,184,513	\$ 64,010	(\$ 3,090)	\$ -	\$ 1,245,433
Leased assets - buildings					

C. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	Three months ended September 30,	
	2022	2021
Rental revenue from the lease of the investment property	\$ 117,512	\$ 115,228
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 40,963	\$ 35,834
Direct operating expenses arising from the investment property that did not generate rental income in the period	\$ -	\$ -
	Nine months ended September 30,	
	2022	2021
Rental revenue from the lease of the investment property	\$ 352,133	\$ 339,028
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 115,807	\$ 110,976
Direct operating expenses arising from the investment property that did not generate rental income in the period	\$ -	\$ -

D. As of September 30, 2022, December 31, 2021 and September 30, 2021, the fair value of the investment property held by the Group was \$12,466,243, \$12,509,073 and \$12,503,023, respectively. The Group management estimated the fair value based on market evidence on transaction price of similar property and assessed value. Valuations were made using the income approach which is categorized within Level 3 in the fair value hierarchy.

E. Information about the investment property that was pledged to others as collateral is provided in Note 8.

#### (12) Intangible assets

A. Details of book values are as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Service concession	\$ 1,886,983	\$ 1,932,922	\$ 1,948,237
Software	2,874	3,565	2,993
	<u>\$ 1,889,857</u>	<u>\$ 1,936,487</u>	<u>\$ 1,951,230</u>

B. Changes in intangible assets for the period are as follows:

Cost	Nine months ended September 30, 2022				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	\$ 2,868,372	\$ -	\$ -	\$ -	\$ 2,868,372
Software	9,600	585	(611)	-	9,574
	<u>\$ 2,877,972</u>	<u>\$ 585</u>	<u>(\$ 611)</u>	<u>\$ -</u>	<u>\$ 2,877,946</u>

Cost	Nine months ended September 30, 2021				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	\$ 2,868,372	\$ -	\$ -	\$ -	\$ 2,868,372
Software	6,949	1,670	-	-	8,619
	<u>\$ 2,875,321</u>	<u>\$ 1,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,876,991</u>
Nine months ended September 30, 2022					
Accumulated amortization	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	\$ 935,450	\$ 45,939	\$ -	\$ -	\$ 981,389
Software	6,035	1,276	(611)	-	6,700
	<u>\$ 941,485</u>	<u>\$ 47,215</u>	<u>(\$ 611)</u>	<u>\$ -</u>	<u>\$ 988,089</u>
Nine months ended September 30, 2021					
Accumulated amortization	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	\$ 874,197	\$ 45,938	\$ -	\$ -	\$ 920,135
Software	4,348	1,278	-	-	5,626
	<u>\$ 878,545</u>	<u>\$ 47,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 925,761</u>

C. Details of amortization on intangible assets are as follows:

	Three months ended September 30,	
	2022	2021
Operating costs	\$ 15,313	\$ 15,312
General and administrative expenses	426	408
	<u>\$ 15,739</u>	<u>\$ 15,720</u>
Nine months ended September 30,		
	2022	2021
	\$ 45,939	\$ 45,938
Operating costs	1,276	1,278
General and administrative expenses	<u>\$ 47,215</u>	<u>\$ 47,216</u>

### (13) Short-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured bank borrowings	\$ 951,000	\$ 1,275,860	\$ 1,149,000
Secured bank borrowings	150,000	-	-
	<u>\$ 1,101,000</u>	<u>\$ 1,275,860</u>	<u>\$ 1,149,000</u>
Interest rate range	1.36%~1.90%	1.20%~1.57%	0.70%~1.75%

For details of pledged assets, please refer to Note 8.

**(14) Short-term notes and bills payable**

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Commercial papers	\$ -	\$ 250,000	\$ 120,000
Less: Unamortized discount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Interest rate range	<u>-</u>	<u>0.39~1.43%</u>	<u>1.39~1.40%</u>

A. The above commercial papers were issued by banks and bills financial institutions.

B. For details of pledged assets, please refer to Note 8.

(15) Other payables

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Employees' compensation payable	\$ 203,725	\$ 139,558	\$ 101,461
Salaries and rewards payable	139,887	182,116	113,132
Taxes payable	76,042	88,519	65,049
Compensation due to directors	49,119	48,487	35,500
Advertisement payable	46,265	62,559	66,015
Business tax payable	6,030	53,072	27,775
Others	237,461	128,177	168,347
	<u>\$ 758,529</u>	<u>\$ 702,488</u>	<u>\$ 577,279</u>

## (16) Bonds payable

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
2017 1st secured ordinary bonds payable	\$ -	\$ 2,000,000	\$ 2,000,000
2018 1st secured ordinary bonds payable	2,500,000	2,500,000	2,500,000
2022 1st secured ordinary bonds payable	2,000,000	-	-
	4,500,000	4,500,000	4,500,000
Less: Current portion	(2,500,000)	(2,000,000)	(2,000,000)
	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000

A. The Group issued secured ordinary bonds payable in June 2017. The significant terms of the bonds are as follows:

- (a) Total issue amount: \$2,000,000
- (b) Issue price: At par value of \$1,000 per bond
- (c) Coupon rate: 1.05%
- (d) Terms of interest repayment: The bonds interest is calculated on simple rate every year starting June 2017 based on the coupon rate.
- (e) Repayment term: The bonds are repaid upon the maturity of the bonds.
- (f) Period: 5 years, from June 19, 2017 to June 19, 2022.
- (g) The way of security: Secured by Bank of Taiwan.
- (h) Trustee Bank: The bonds are guaranteed by Taipei Fubon Commercial Bank.

B. The Group issued secured ordinary bonds payable in June 2018. The significant terms of the bonds are as follows:

- (a) Total issue amount: \$2,500,000
- (b) Issue price: At par value of \$1,000 per bond
- (c) Coupon rate: 0.84%
- (d) Terms of interest repayment: The bonds interest is calculated on simple rate every year starting June 2018 based on the coupon rate.
- (e) Repayment term: The bonds are repaid upon the maturity of the bonds.
- (f) Period: 5 years, from June 15, 2018 to June 15, 2023.
- (g) The way of security: Secured by Bank of Taiwan.
- (h) Trustee Bank: The bonds are guaranteed by Taipei Fubon Commercial Bank.

C. The Group issued secured ordinary bonds payable in June 2022. The significant terms of the bonds are as follows:

- (a) Total issue amount: \$2,000,000
- (b) Issue price: At par value of \$1,000 per bond
- (c) Coupon rate: 1.58%
- (d) Terms of interest repayment: The bonds interest is calculated on simple rate every year starting June 2022 based on the coupon rate.
- (e) Repayment term: The bonds are repaid upon the maturity of the bonds.
- (f) Period: 5 years, from June 16, 2022 to June 16, 2027.
- (g) The way of security: Secured by Bank of Taiwan.
- (h) Trustee Bank: The bonds are guaranteed by Mega International Commercial Bank.

(17) Long-term borrowings

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Secured bank borrowings	\$ 4,050,000	\$ 4,511,624	\$ 4,585,879
Unsecured bank borrowings	<u>540,000</u>	<u>930,000</u>	<u>445,000</u>
	4,590,000	5,441,624	5,030,879
Less: Current portion	( <u>510,000</u> )	( <u>966,817</u> )	( <u>803,510</u> )
	<u>4,080,000</u>	<u>4,474,807</u>	<u>4,227,369</u>
Commerical papers	<u>-</u>	<u>-</u>	360,000
	<u>\$ 4,080,000</u>	<u>\$ 4,474,807</u>	<u>\$ 4,587,369</u>
Range of maturity dates	<u>2023.07.20~2027.01.09</u>	<u>2022.08.14~2027.11.02</u>	<u>2022.08.14~2027.11.02</u>
Range of maturity rates	<u>1.36%~2.05%</u>	<u>1.11%~1.79%</u>	<u>1.33%~1.79%</u>

A. For details of restrictive covenants, please refer to Note 9.

B. The Group and financial institutions entered into a contract for a syndicated borrowing. The Group shall redraw the revolving credit line to issue abovementioned commercial paper during the credit term.

C. For details of pledged assets, please refer to Note 8.

(18) Provisions - replacement cost

	<u>2022</u>	<u>2021</u>
At January 1	\$ 136,504	\$ 113,024
Additions	40,342	36,298
Used	( <u>17,416</u> )	( <u>17,259</u> )
At September 30	<u>\$ 159,430</u>	<u>\$ 132,063</u>

The Group's provisions for replacement cost pertains to the contract with National Taiwan University relating to the construction and operation of dormitories on Chang-Hsing St. and Shui-Yuan Campus, which was provided based on the estimated replacement cost of each asset during the operation. Information on the significant contract terms relating to the operation cost is provided in Note 9(5).

(19) Pension

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 8% of the employees'

monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

- (b) For the aforementioned pension plan, the Group recognised pension costs of \$174, \$168, \$521 and \$506 for the three months and nine months ended September 30, 2022 and 2021, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$2,813.

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

- (b) The pension costs under the defined contribution pension plans of the Company for the three months and nine months ended September 30, 2022 and 2021 were \$14,604, \$14,637, \$42,850 and \$43,014, respectively.

(20) Share capital

A. Movements in the number of the Company’s ordinary shares outstanding are as follows:

(Units: in thousand shares)

	2022	2021
Shares at January 1 and September 30	<u>1,622,671</u>	<u>1,622,671</u>

B. As of September 30, 2022, the Company’s authorized capital was \$20,000,000, and the paid-in capital was \$16,233,261 with a par value of NT\$10 per share, consisting of 1,623,326 thousand shares of ordinary stock.

C. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Company’s subsidiary, Prince Apartment Management Maintain Co., Ltd., held the Company’s stocks to maintain equity interest in the Company. The amount of shares held by the subsidiary was all 655 thousand shares, the average par value was all NT\$1.53 per share, and the fair value was NT\$11.15, NT\$13.40 and NT\$13.90 per share, respectively.

(21) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the

Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

		Capital surplus			
		Share premium	Treasury share transaction	Others	Total
2022		\$ 1,375,442	\$ 877,839	\$ 7,232	\$ 2,260,513
<hr/>					
At January 1, 2022 (At September 30, 2022)					
		Capital surplus			
		Share premium	Treasury share transaction	Others	Total
2021		\$ 1,375,442	\$ 877,839	\$ 7,232	\$ 2,260,513
At January 1, 2021 (At September 30, 2021)					

## (22) Retained earnings

- A. In accordance with the Company's Articles of Incorporation, the Company will take into consideration its future business plans and capital expenditures in determining the amount of earnings to be retained and to be distributed. In accordance with the Company Law, 10% of the current year's earnings, after payment of all taxes and after offsetting accumulated deficit, shall be set aside as legal reserve until the balance of legal reserve is equal to that of issued share capital. Afterwards, an amount shall be appropriated or reversed as special reserve in accordance with applicable legal or regulatory requirements, along with prior years' accumulated unappropriated retained earnings, and then distribution should be in the following order: stock dividend and bonus to shareholders are no less than 20% of the accumulated distributable earnings, in current period and cash dividend is at least 30% of the total stock dividend and bonus; the appropriation of earnings is proposed by the Board of Directors and resolved by the shareholders.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. The Company recognised dividends distributed to owners amounting to \$811,663 (\$0.5 (in dollars) per share) for the nine months ended September 30, 2022. The Company recognised dividends distributed to owners amounting to \$649,330 (\$0.4 (in dollars) per share) for the year ended December 31, 2021.

## (23) Other equity items

	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1, 2022	\$ 1,765,082	(\$ 48)	\$ 1,765,034
Revaluation-Group	( 312,935)	-	( 312,935)
Disposals transferred to retained earnings - Group	( 4,814)	-	( 4,814)
At September 30, 2022	\$ 1,447,333	(\$ 48)	\$ 1,447,285

	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1, 2021	\$ 1,242,305	(\$ 48)	\$ 1,242,257
Revaluation-Group	108,334	-	108,334
Disposals transferred to retained earnings - Group	( 1,370)	-	( 1,370)
At September 30, 2021	<u>\$ 1,349,269</u>	<u>(\$ 48)</u>	<u>\$ 1,349,221</u>

**(24) Maturity analysis of assets and liabilities**

The construction related assets and liabilities are classified as current and non-current based on the operating cycle. Related recognised amount expected to be recovered or repaid within or after 12 months from the balance sheet date is as follows:

	Within 12 months	Over 12 months	Total
<u>September 30, 2022</u>			
Assets			
Notes receivable, net	\$ 46,002	\$ -	\$ 46,002
Accounts receivable, net (including related parties)	307,129	226,117	533,246
Contract assets	112,388	280,612	393,000
Inventories	<u>937,799</u>	<u>5,970,974</u>	<u>6,908,773</u>
	<u>\$ 1,403,318</u>	<u>\$ 6,477,703</u>	<u>\$ 7,881,021</u>
Liabilities			
Contract liabilities	\$ 139,723	\$ 187,551	\$ 327,274
Accounts payable	304,745	669,815	974,560
Long-term notes and accounts payable	-	11,456	11,456
	<u>\$ 444,468</u>	<u>\$ 868,822</u>	<u>\$ 1,313,290</u>
	Within 12 months	Over 12 months	Total
<u>December 31, 2021</u>			
Assets			
Notes receivable, net	\$ 26,091	\$ 120	\$ 26,211
Accounts receivable, net (including related parties)	352,676	286,244	638,920
Contract assets	269,595	236,832	506,427
Inventories	<u>4,504,223</u>	<u>6,799,275</u>	<u>11,303,498</u>
	<u>\$ 5,152,585</u>	<u>\$ 7,322,471</u>	<u>\$ 12,475,056</u>
Liabilities			
Contract liabilities	\$ 1,034,440	\$ 93,860	\$ 1,128,300
Accounts payable	1,028,362	576,917	1,605,279
Long-term notes and accounts payable	-	11,456	11,456
	<u>\$ 2,062,802</u>	<u>\$ 682,233</u>	<u>\$ 2,745,035</u>

	Within 12 months	Over 12 months	Total
<u>September 30, 2021</u>			
Assets			
Notes receivable, net	\$ 54,555	\$ -	\$ 54,555
Accounts receivable, net (including related parties)	189,856	309,953	499,809
Contract assets	22,551	120,682	143,233
Inventories	7,139,407	6,091,835	13,231,242
	<u>\$ 7,406,369</u>	<u>\$ 6,522,470</u>	<u>\$ 13,928,839</u>
Liabilities			
Contract liabilities	\$ 556,142	\$ 167,880	\$ 724,022
Accounts payable	777,482	683,302	1,460,784
Long-term notes and accounts payable	-	11,456	11,456
	<u>\$ 1,333,624</u>	<u>\$ 862,638</u>	<u>\$ 2,196,262</u>

(25) Operating revenue

	Three months ended September 30,	
	2022	2021
Revenue from contracts with customers	\$ 1,922,260	\$ 2,310,009
Other - rental revenue	135,820	125,978
	<u>\$ 2,058,080</u>	<u>\$ 2,435,987</u>
	Nine months ended September 30,	
	2022	2021
Revenue from contracts with customers	\$ 10,006,990	\$ 7,963,376
Other - rental revenue	404,804	382,782
	<u>\$ 10,411,794</u>	<u>\$ 8,346,158</u>

A. The revenue from contracts with customers arises from the transfer of goods and services at a point in time or over time in the following business lines:

Three months ended	Building and					
September 30, 2022	land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	\$ 756,069	\$ 580,504	\$ 430,360	\$ 70,948	\$ 84,379	\$ 1,922,260
Timing of revenue recognition						
At a point in time	\$ 756,069	\$ -	\$ 237,362	\$ -	\$ -	\$ 993,431
Over time	-	\$ 580,504	\$ 192,998	\$ 70,948	\$ 84,379	\$ 928,829
	<u>\$ 756,069</u>	<u>\$ 580,504</u>	<u>\$ 430,360</u>	<u>\$ 70,948</u>	<u>\$ 84,379</u>	<u>\$ 1,922,260</u>

<u>Three months ended</u> <u>September 30, 2021</u>	<u>Building and</u> <u>land sales</u>	<u>Construction</u>	<u>Hotel management</u>	<u>BOT business</u>	<u>Property management</u>	<u>Total</u>
Revenue from external customer contracts	\$ 1,592,950	\$ 422,053	\$ 152,001	\$ 66,877	\$ 76,128	\$ 2,310,009
Timing of revenue recognition						
At a point in time	\$ 1,592,950	\$ -	\$ 75,854	\$ -	\$ -	\$ 1,668,804
Over time	\$ -	\$ 422,053	\$ 76,147	\$ 66,877	\$ 76,128	\$ 641,205
	\$ 1,592,950	\$ 422,053	\$ 152,001	\$ 66,877	\$ 76,128	\$ 2,310,009
<u>Nine months ended</u> <u>September 30, 2022</u>	<u>Building and</u> <u>land sales</u>	<u>Construction</u>	<u>Hotel management</u>	<u>BOT business</u>	<u>Property management</u>	<u>Total</u>
Revenue from external customer contracts	\$ 6,798,668	\$ 1,689,568	\$ 1,053,854	\$ 208,208	\$ 256,692	\$ 10,006,990
Timing of revenue recognition						
At a point in time	\$ 6,798,668	\$ -	\$ 514,690	\$ -	\$ -	\$ 7,313,358
Over time	\$ -	\$ 1,689,568	\$ 539,164	\$ 208,208	\$ 256,692	\$ 2,693,632
	\$ 6,798,668	\$ 1,689,568	\$ 1,053,854	\$ 208,208	\$ 256,692	\$ 10,006,990
<u>Nine months ended</u> <u>September 30, 2021</u>	<u>Building and</u> <u>land sales</u>	<u>Construction</u>	<u>Hotel management</u>	<u>BOT business</u>	<u>Property management</u>	<u>Total</u>
Revenue from external customer contracts	\$ 5,430,482	\$ 1,409,901	\$ 687,764	\$ 202,292	\$ 232,937	\$ 7,963,376
Timing of revenue recognition						
At a point in time	\$ 5,430,482	\$ -	\$ 337,240	\$ -	\$ -	\$ 5,767,722
Over time	\$ -	\$ 1,409,901	\$ 350,524	\$ 202,292	\$ 232,937	\$ 2,195,654
	\$ 5,430,482	\$ 1,409,901	\$ 687,764	\$ 202,292	\$ 232,937	\$ 7,963,376

B. Aggregate amount of the transaction price allocated to and the year expected to recognise revenue for the unsatisfied performance obligations in relation to the contracted significant construction contracts as of September 30, 2022, December 31, 2021 and September 30, 2021 are as follows:

	<u>Year expected to recognise revenue</u>	<u>Contracted amount</u>
September 30, 2022	2022~2024	\$ 6,979,047
December 31, 2021	2022~2024	\$ 8,416,139
September 30, 2021	2021~2024	\$ 9,339,911

### C. Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>	<u>January 1, 2021</u>
Contract assets:				
Contract assets - construction contracts	\$ 393,000	\$ 506,427	\$ 143,233	\$ 200,782
Contract liabilities:				
Contract liabilities - buildings and land sales contracts	\$ 49,175	\$ 1,032,712	\$ 554,340	\$ 458,386
Contract liabilities - construction contracts	278,099	95,588	169,682	255,899
Contract liabilities - Hotel operation contracts	130,321	152,748	121,431	142,814
Contract liabilities - BOT business	<u>79,024</u>	<u>61,285</u>	<u>68,109</u>	<u>59,851</u>
	<u>\$ 536,619</u>	<u>\$ 1,342,333</u>	<u>\$ 913,562</u>	<u>\$ 916,950</u>

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	<u>Three months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>

Revenue recognised that was included in the contract liability balance at the beginning of the period

Building and land sales contracts	\$ 8,995	\$ 6,379
Hotel operation contracts	<u>5</u>	<u>8</u>
	<u>\$ 9,000</u>	<u>\$ 6,387</u>

	<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>

Revenue recognised that was included in the contract liability balance at the beginning of the period

Building and land sales contracts	\$ 708,680	\$ 448,406
Construction contracts	95,588	255,899
Hotel operation contracts	152,304	142,353
BOT business	<u>61,285</u>	<u>59,851</u>
	<u>\$ 1,017,857</u>	<u>\$ 906,509</u>

### (26) Interest income

	<u>Three months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	\$ 1,374	\$ 844
Other interest income	<u>1,817</u>	<u>278</u>
	<u>\$ 3,191</u>	<u>\$ 1,122</u>

	Nine months ended September 30,	
	2022	2021
Interest income from bank deposits	\$ 5,919	\$ 4,583
Other interest income	2,790	702
	<u>\$ 8,709</u>	<u>\$ 5,285</u>

(27) Other income

	Three months ended September 30,	
	2022	2021
Dividend income	\$ 68,099	\$ 54,545
Government grant revenue (Note 1)	-	13,182
Payables transferred to other income	14,099	92,998
Income from rent concessions (Note 2)	-	14,407
Income from compensation and incentives for building demolition	-	11,678
Other income	<u>16,527</u>	<u>11,955</u>
	<u>\$ 98,725</u>	<u>\$ 198,765</u>
	Nine months ended September 30,	
	2022	2021
Dividend income	\$ 215,755	\$ 139,756
Government grant revenue (Note 1)	1,822	48,564
Payables transferred to other income	95,229	124,161
Income from rent concessions (Note 2)	1,670	14,407
Compensation for road expropriation	-	8,695
Insurance claims income	-	1,800
Income from compensation and incentives for building demolition	-	11,678
Other income	<u>42,468</u>	<u>33,167</u>
	<u>\$ 356,944</u>	<u>\$ 382,228</u>

Note 1: The Group's hotel segment is eligible for subsidies in accordance with "Subsidies for Business Suffered by Severe Pneumonia with Novel Pathogens (COVID-19) Handled by the Commercial Service Industry of the Ministry of Economic Affairs" and "Directions for Tourism Bureau to Subsidize Employee Salaries of Tourist Hotels and Hotels" from the Tourism Bureau, M.O.T.C., and thus the Group recognised government grant revenue arising from subsidies for wages and salaries amounting to \$0, \$13,182, \$904 and \$48,564 for the three months and nine months ended September 30, 2022 and 2021, respectively.

Note 2: Due to the impact of COVID-19 pandemic, the Group recognised rent concession income for the three months and nine months ended September 30, 2022 and 2021. Refer to Note 6(9) for details.

(28) Other gains and losses

	Three months ended September 30,	
	2022	2021
Net losses on financial assets at fair value through profit or loss	(\$ 81,816)	(\$ 693,154)
Losses on disposals of property, plant and equipment (including investment property)	( 1,331)	( 1,348)
Others	1,271	( 3,772)
	<u>(\$ 81,876)</u>	<u>(\$ 698,274)</u>
	Nine months ended September 30,	
	2022	2021
Net (losses) gains on financial assets at fair value through profit or loss	(\$ 644,312)	\$ 406,656
Gains on disposals of property, plant and equipment (including investment property)	27,195	1,186
Others	( 1,206)	( 3,765)
	<u>(\$ 618,323)</u>	<u>\$ 404,077</u>

(29) Finance costs

	Three months ended September 30,	
	2022	2021
Interest expense:		
Bank borrowings	\$ 30,986	\$ 27,431
Lease liability	29,683	31,511
Commercial paper	31	1,522
Ordinary bonds	24,910	21,955
Others	104	127
Other finance expenses	300	300
	86,014	82,846
Less : Capitalization of qualifying assets	( 455)	( 2,697)
	<u>\$ 85,559</u>	<u>\$ 80,149</u>

	Nine months ended September 30,	
	2022	2021
Interest expense:		
Bank borrowings	\$ 87,280	\$ 92,353
Lease liability	90,418	95,849
Commercial paper	410	6,478
Ordinary bonds	69,266	66,033
Others	1,217	1,070
Other finance expenses	900	900
	249,491	262,683
Less : Capitalization of qualifying assets	( 1,431)	( 30,952)
	\$ 248,060	\$ 231,731

(30) Expenses by nature

	Three months ended September 30, 2022		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 142,316	\$ 128,297	\$ 270,613
Labor and health insurance fees	15,504	14,650	30,154
Pension costs	7,513	7,265	14,778
Directors' remuneration	-	9,482	9,482
Other employee benefit expense	8,875	2,217	11,092
	\$ 174,208	\$ 161,911	\$ 336,119
Depreciation charges	\$ 21,288	\$ 167,919	\$ 189,207
Amortization charges	\$ 15,313	\$ 426	\$ 15,739

	Three months ended September 30, 2021		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 148,723	\$ 36,026	\$ 184,749
Labor and health insurance fees	13,993	13,277	27,270
Pension costs	6,724	8,081	14,805
Directors' remuneration	-	( 22,274)	( 22,274)
Other employee benefit expense	1,987	4,251	6,238
	\$ 171,427	\$ 39,361	\$ 210,788
Depreciation charges	\$ 21,289	\$ 173,256	\$ 194,545
Amortization charges	\$ 15,312	\$ 408	\$ 15,720

	Nine months ended September 30, 2022		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 440,540	\$ 515,174	\$ 955,714
Labor and health insurance fees	46,236	46,147	92,383
Pension costs	22,495	20,876	43,371
Directors' remuneration	-	53,297	53,297
Other employee benefit expense	22,768	18,362	41,130
	<u>\$ 532,039</u>	<u>\$ 653,856</u>	<u>\$ 1,185,895</u>
Depreciation charges	<u>\$ 64,004</u>	<u>\$ 505,986</u>	<u>\$ 569,990</u>
Amortization charges	<u>\$ 45,939</u>	<u>\$ 1,276</u>	<u>\$ 47,215</u>
	Nine months ended September 30, 2021		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 432,450	\$ 414,040	\$ 846,490
Labor and health insurance fees	44,418	43,708	88,126
Pension costs	21,375	22,145	43,520
Directors' remuneration	-	38,800	38,800
Other employee benefit expense	16,771	19,008	35,779
	<u>\$ 515,014</u>	<u>\$ 537,701</u>	<u>\$ 1,052,715</u>
Depreciation charges	<u>\$ 64,010</u>	<u>\$ 523,586</u>	<u>\$ 587,596</u>
Amortization charges	<u>\$ 45,938</u>	<u>\$ 1,278</u>	<u>\$ 47,216</u>

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute compensation to the employees and pay remuneration to the directors that account for at least 2% and no higher than 3%, respectively, of distributable profit of the current period. If a company has accumulated deficit, earnings should be channeled to cover losses.

Employees' compensation can be distributed in the form of shares or in cash. Qualified employees, including the employees of subsidiaries of the company meeting certain specific requirements, are entitled to receive aforementioned stock or cash.

Abovementioned distributable profit of the current period refers to the pre-tax profit before deduction of employees' compensation and directors' remuneration.

B. For the three months and nine months ended September 30, 2022 and 2021, employees' compensation was accrued at \$30,392, (\$71,172), \$198,993 and \$96,128, respectively; while directors' remuneration was accrued at \$7,640, (\$24,213), \$47,947 and \$32,703, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were accrued based on the percentage as prescribed in the Company's Articles of Incorporation and distributable profit of current period for the nine months ended September 30, 2022.

Employees' compensation and directors' remuneration of 2021 as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2021 financial statements. The employees' compensation will be distributed in the form of cash.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended September 30,	
	2022	2021
Current tax:		
Current tax on profits for the period	\$ 34,973	\$ 115,393
Tax on undistributed surplus earnings	-	3,150
Land value increment tax recognised in income tax for the period	4,459	1,686
Total current tax	<u>39,432</u>	<u>120,229</u>
Deferred tax:		
Origination and reversal of temporary differences	25	( 35)
Loss carryforward	( 15,923)	( 33,440)
Total deferred tax	( 15,898)	( 33,475)
Income tax expense	<u>\$ 23,534</u>	<u>\$ 86,754</u>

	Nine months ended September 30,	
	2022	2021
<b>Current tax:</b>		
Current tax on profits for the period	\$ 303,078	\$ 232,930
Tax on undistributed surplus earnings	28,900	3,150
Prior year income tax overestimation	955 (	9,021)
Land value increment tax recognised in income tax for the period	<u>34,038</u>	<u>13,288</u>
<b>Total current tax</b>	<u>366,971</u>	<u>240,347</u>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	( 19,450) ( 123)	
Loss carryforward	( 61,964) ( 88,009)	
<b>Total deferred tax</b>	<u>( 81,414) ( 88,132)</u>	
<b>Income tax expense</b>	<u>\$ 285,557</u>	<u>\$ 152,215</u>

B. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

**(32) (Loss) earnings per share**

	Three months ended September 30, 2022	
	Weighted average number of ordinary shares outstanding	Earnings per share
	Amount after tax (shares in thousands)	(in dollars)
<b>Basic earnings per share</b>		
Profit attributable to ordinary shareholders of the parent	\$ 182,660	1,622,671 \$ 0.11
<b>Diluted earnings per share</b>		
Profit attributable to ordinary shareholders of the parent	\$ 182,660	1,622,671
Assumed conversion of all dilutive potential ordinary shares		
Employees' compensation	-	2,726
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 182,660	1,625,397 \$ 0.11

Three months ended September 30, 2021

	Weighted average number of ordinary shares outstanding	Loss per share
	Amount after tax (shares in thousands)	(in dollars)
<u>Basic and diluted loss per share</u>		
Loss attributable to ordinary shareholders of the parent	<u>(\$ 429,219)</u>	<u>1,622,671</u> <u>(\$ 0.26)</u>

Nine months ended September 30, 2022

	Weighted average number of ordinary shares outstanding	Earnings per share
	Amount after tax (shares in thousands)	(in dollars)
<u>Basic earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,057,450</u>	<u>1,622,671</u> <u>\$ 0.65</u>
<u>Diluted earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,057,450</u>	<u>1,622,671</u>
Assumed conversion of all dilutive potential ordinary shares		
Employees' compensation	<u>-</u>	<u>20,095</u>
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,057,450</u>	<u>1,642,766</u> <u>\$ 0.64</u>

Nine months ended September 30, 2021

	Weighted average number of ordinary shares outstanding	Earnings per share
	Amount after tax (shares in thousands)	(in dollars)
<b>Basic earnings per share</b>		
Profit attributable to ordinary shareholders of the parent	\$ 1,167,814	1,622,671
	\$ 0.72	
<b>Diluted earnings per share</b>		
Profit attributable to ordinary shareholders of the parent	\$ 1,167,814	1,622,671
Assumed conversion of all dilutive potential ordinary shares		
Employees' compensation	- -	9,235
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,167,814	1,631,906
	\$ 0.72	

**(33) Supplemental cash flow information**

Investing activities with no cash flow effects:

	Nine months ended September 30,	
	2022	2021
Prepayments transferred to property, plant and equipment	\$ - -	\$ 555
Prepayment for equipment (shown as 'other non-current assets-others') transferred to property, plant and equipment	\$ - -	\$ 668
Bonds payable and long-term borrowings transferred to long-term liabilities, current portion	\$ 3,010,000	\$ 2,803,510

**(34) Changes in liabilities from financing activities**

	Changes in cash flow from financing activities			Changes in other non-cash items	September 30, 2022
	January 1, 2022	activities	non-cash items		
Short-term borrowings	\$ 1,275,860	(\$ 174,860)	\$ -	\$ 1,101,000	
Short-term notes and bills payable	250,000	( 250,000)	- -	- -	
Bonds payable	4,500,000	- -	- -	4,500,000	
Long-term borrowings	5,441,624	( 851,624)	- -	4,590,000	
Long-term notes and accounts payable	808,301	- -	- -	808,301	
Guarantee deposits received	164,542	( 94)	- -	164,448	
Lease liability	7,422,173	( 336,260)	4,568	7,090,481	
Liabilities from financing activities - gross	<u>\$ 19,862,500</u>	<u>(\$ 1,612,838)</u>	<u>\$ 4,568</u>	<u>\$ 18,254,230</u>	

		Changes in cash flow from financing activities	Changes in other non-cash items	
	January 1, 2021			September 30, 2021
Short-term borrowings	\$ 1,315,000	(\$ 166,000)	\$ -	\$ 1,149,000
Short-term notes and bills payable	50,000	70,000	-	120,000
Bonds payable	4,500,000	-	-	4,500,000
Long-term borrowings	8,693,237	( 3,302,358)	-	5,390,879
Long-term notes and accounts payable	808,301	-	-	808,301
Guarantee deposits received	160,581	29,301	-	189,882
Lease liability	7,861,183	( 329,074)	( 3,241)	7,528,868
Liabilities from financing activities - gross	\$ 23,388,302	(\$ 3,698,131)	(\$ 3,241)	\$ 19,686,930

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship with the Company

Names of related parties	Relationship with the Company
Uni-President Development Corp. (Uni-President Development)	Associate
Amida Trustlink Assets Management Co., Ltd. (Amida Trustlink Assets)	Associate
President International Development Corp. (President International Development)	Other related party
Tone Sang Construction Corp.	Other related party
President Chain Store Corp. (President Chain Store)	Other related party
C-maan Health Limited Company (C-maan Health)	Other related party
Man-Strong Manpower MGT Co., Ltd. (Man-Strong Manpower)	Other related party
Kao Chyuan Investment Co., Ltd. ( Kao Chyuan Investment)	Other related party
President Fair Development Crop. (President Fair Development)	Other related party
Uni-President Express Corp. (Uni-President Express)	Other related party

(2) Significant related party transactions and balances

A. Sales of goods:

	Three months ended September 30,	
	2022	2021
Construction subcontracting:		
– Uni-President Express	\$ 144,900	\$ -
– Other related parties	22,028	8,349
	<u>\$ 166,928</u>	<u>\$ 8,349</u>
	Nine months ended September 30,	
Construction subcontracting:		
– Uni-President Express	\$ 403,200	\$ -
– Other related parties	38,263	11,455
	<u>\$ 441,463</u>	<u>\$ 11,455</u>

The contract prices of construction for related parties are based on expected construction cost plus reasonable management expenses and profit, and are determined based on mutual agreements. The construction payments are collected based on the contract terms. As of September 30, 2022, December 31, 2021 and September 30, 2021, the status of the construction for the related parties undertaken by the Group was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Uni-President Express:			
Total amount of construction contracts that were signed but had not been settled yet	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000
Construction payments received	( 705,161)	( 858)	-
Construction payments receivable	<u>\$ 3,794,839</u>	<u>\$ 4,499,142</u>	<u>\$ 4,500,000</u>
Other related parties:			
Total amount of construction contracts that were signed but had not been settled yet	\$ 59,341	\$ 59,341	\$ 59,341
Construction payments received	( 19,382)	( 19,346)	( 11,578)
Construction payments receivable	<u>\$ 39,959</u>	<u>\$ 39,995</u>	<u>\$ 47,763</u>
	Three months ended September 30,		
	2022	2021	
Rental income:			
– President Chain Store	\$ 13,768	\$ 13,365	
– Other related parties	4,129	4,161	
	<u>\$ 17,897</u>	<u>\$ 17,526</u>	

	Nine months ended September 30,	
	2022	2021
Rental income:		
– President Chain Store	\$ 40,614	\$ 40,124
– Other related parties	12,379	12,499
	<u>\$ 52,993</u>	<u>\$ 52,623</u>

Rent is determined by mutual agreements and is collected monthly.

B. Accounts receivable

	September 30, 2022	December 31, 2021	September 30, 2021
– Uni-President Express	\$ 132,911	\$ 901	\$ -
– Other related parties	6,240	5,559	4,826
	<u>\$ 139,151</u>	<u>\$ 6,460</u>	<u>\$ 4,826</u>

C. Contract assets and liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
Contract assets:			
Kao Chyuan Investment Co., Ltd.	\$ 36,173	\$ -	\$ -
Uni-President Express	-	209,703	4,976
	<u>\$ 36,173</u>	<u>\$ 209,703</u>	<u>\$ 4,976</u>
	September 30, 2022	December 31, 2021	September 30, 2021
Contract liabilities:			
Uni-President Express	\$ 91,365	\$ -	\$ -
Other related parties	723	2,779	3,167
	<u>\$ 92,088</u>	<u>\$ 2,779</u>	<u>\$ 3,167</u>

D. Lease transactions - lessee

(a) i. The Group leases business area from the associate, Uni-President Development Corp. The lease terms are between 2011 and 2035, and all these lease agreements are renewable at the end of the lease period. Rental payment is calculated based on an agreed upon rate of revenue.

ii. The Group leases office from the other related parties, President International Development Corp. These leases have terms expiring between 2018 and 2023, and all these lease agreements are renewable at the end of the lease period.

(b) Lease liabilities

i. Outstanding balance:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Lease liabilities-current:			
Uni-President			
Development	\$ 337,803	\$ 331,824	\$ 330,567
President International			
Development	13,853	25,284	25,145
	<u>\$ 351,656</u>	<u>\$ 357,108</u>	<u>\$ 355,712</u>
	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Lease liabilities			
- non-current:			
Uni-President			
Development	\$ 4,784,309	\$ 5,038,683	\$ 5,122,112
President International			
Development	-	7,480	13,853
	<u>\$ 4,784,309</u>	<u>\$ 5,046,163</u>	<u>\$ 5,135,965</u>

ii. Interest expense:

	<u>Three months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
Interest expense:		
Uni-President Development	\$ 19,675	\$ 20,928
President International Development	100	238
	<u>\$ 19,775</u>	<u>\$ 21,166</u>
Interest expense:		
	<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
Uni-President Development	\$ 59,970	\$ 63,714
President International Development	404	817
	<u>\$ 60,374</u>	<u>\$ 64,531</u>

E. Others:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Refundable deposits:			
Uni-President Development	\$ 68,526	\$ 68,641	\$ 68,526

F. On June 20, 2006, the Company and China Metal Products Co., Ltd. ("A party") jointly signed a creditor's rights transfer contract with Amida Trustlink Assets Management Co., Ltd. ("B party"). Under the contract, the Company and A party should pay \$2,100,000 each (totaling \$4,200,000) to jointly acquire whole creditor's rights of mortgages, security interests and other

dependent claims (collectively referred herein as the creditor's rights) on the Splendor Hotel Taichung Building, and each bears 50% rights and obligations of this acquisition; when all creditor's rights of this object turn into property rights, the Company and A party should pay B party totaling \$1,000,000 as the cost and reward of B party for it is entrusted with the task to help turn the creditor's rights as stated above into property rights, but any excess cost over \$1,000,000 if incurred on this task shall be borne by B party on its own; the Company should pay B party \$300,000 before June 30, 2006, and the Company and A party should jointly issue a promissory note of \$1,800,000 to B party on the signing date; payment should be done before July 15, 2006. The title to the creditor's rights as stated above had been transferred to the Company and A party on August 2, 2006. Total acquisition price of the creditor's rights amounted to \$5,200,000, which the Company and A party bear 50% of the price each. The Company had paid its share.

(3) Key management compensation

	Three months ended September 30,	
	2022	2021
Salaries and other short-term employee benefits	\$ 6,058	\$ 5,284
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	<u>\$ 6,058</u>	<u>\$ 5,284</u>

	Nine months ended September 30,	
	2022	2021
Salaries and other short-term employee benefits	\$ 56,134	\$ 44,420
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	<u>\$ 56,134</u>	<u>\$ 44,420</u>

## 8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

Pledged asset	September 30, 2022	December 31, 2021	September 30, 2021	Purpose
Time deposits, demand deposits and checking deposits (shown as "financial assets at amortised cost")	\$ 695,399	\$ 669,271	\$ 668,506	Performance guarantee, construction performance guarantee, long-term and short-term borrowings, issuance of short-term notes and bills, member reward points, gift coupons trust account and sinking funds
Financial assets at fair value through profit or loss	80,132	79,887	79,850	Construction performance guarantees and long-term and short-term borrowings
Land held for construction site	1,256,536	582,620	582,620	Long-term and short-term borrowings and issuance of short-term notes and bills
Construction in progress	35,785	13,006	13,006	Long-term and short-term borrowings and issuance of short-term notes and bills
Financial assets at fair value through other comprehensive income	1,138,771	1,348,997	1,331,821	Short-term borrowings and issuance of long-term notes and bills
Investments accounted for under equity method	959,799	1,136,331	1,136,320	Long-term borrowings and issuance of long-term notes and bills
Land	2,791,875	2,792,444	2,792,444	Construction performance guarantees, long-term and short-term borrowings and issuance of short-term notes and bills
Buildings	1,663,993	1,706,094	1,719,981	Long-term and short-term borrowings and issuance of short-term notes and bills
Investment property	4,702,216	4,792,265	4,808,538	Construction performance guarantees, long-term and short-term borrowings and issuance of short-term notes and bills
	<hr/> \$ 13,324,506	<hr/> \$ 13,120,915	<hr/> \$ 13,133,086	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Summary of endorsements and guarantees is as follows:

A. Summary of endorsements and guarantees provided by the Company to subsidiaries is as follows:

Name of company	September 30, 2022		December 31, 2021		September 30, 2021	
	Total endorsement		Total endorsement		Total endorsement	
	amount	drawn	amount	drawn	amount	drawn
The Splendor Hospitality International Co. Ltd.,(Note)	\$ 1,850,000	\$ 1,750,000	\$ 1,825,000	\$ 1,825,000	\$ 1,900,000	\$ 1,850,000

Note: The Company and China Metal Products Co., Ltd. provided endorsements and guarantees in equal proportions of 50% ownership each for The Splendor Hospitality International Co. Ltd.,'s short-term borrowings, short-term notes and bills payable, long-term notes payable and syndication loan of long-term borrowings.

B Summary of endorsements and guarantees provided by subsidiaries to subsidiaries is as follows:

Name of company	Subsidiaries being endorsed/guaranteed	September 30, 2022		December 31, 2021		September 30, 2021	
		Total endorsement		Total endorsement		Total endorsement	
		amount	drawn	amount	drawn	amount	drawn
Prince Apartment Management & Maintenance Co., Ltd.	Prince Security & Guard Co., Ltd.	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000

C. Since the Company's subsidiary, the Splendor Hotel Taichung, has been continuing to generate operating losses and its current liabilities were greater than its current assets. The Company was committed to provide the endorsement and guarantees for all Splendor Hotel's borrowings in its ownership proportion of 50%.

(2) Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Property, plant and equipment	\$ <u>5,926</u>	\$ <u>8,778</u>	\$ <u>5,836</u>

(3) Operating lease agreement :

Please refer to Note 6 (9) and (10) for related information.

(4) According to the sale contracts, the Company should provide warranty on the house structure and major facilities for one year from the handover day for the houses it sold. However, any damage to the houses caused by disasters, additions to the houses made by the buyers, or events that are not attributed to the Company is not included in the scope of warranty.

(5) On March 17, 2005, the Company (“A party”) signed a contract with National Taiwan University (“B party”) relating to the construction and operation of dormitories on Chang-Hsing St. and Shui-Yuan Campus. The major terms of the contract are as follows:

- A. Under the contract, B party should be responsible for acquiring the ownership or land-use right for this project, and let A party use the land; A party must complete the construction within 3 years from the registration of the superficies, and may operate the dormitories for 44 years, collect dormitory rentals and use fees of other facilities from students, and should return the related assets to B party on the expiry of the contract.
- B. A party should give B party a performance guarantee of \$60,000 for the construction on the signing date and \$30,000 for operations before the start of operation. As of September 30, 2022, December 31, 2021 and September 30, 2021, A party had provided performance guarantee with a guarantee letter issued by the bank, all amounting to \$30,000.
- C. A party should pay B party land rentals from the registration of the superficies, according to the terms of the contract, and pay B party operating royalties from the third year of the operation, based on the specified proportion of dormitory rentals and use fees of other facilities collected from students.
- D. Terms of restrictions for A party:
  - (a) The ratio of A party’s own capital utilized in this project to total construction cost of this project should be at least 30%;
  - (b) During the operation period, the ratio of shareholders’ equity to total assets should be at least 25%; and current ratio (current assets/current liabilities) should be at least 100%;
  - (c) All rights acquired by A party under the contract, except for other conditions specified in the contract and approved by B party, should not be transferred, leased, registered as a liability/obligation or become an executed object of civil litigation.

(6) On May 10, 2005, the Company (“A party”) signed a contract with National Cheng Kung University (“B party”) relating to the construction and operation of student dormitories and alumni hall. The major terms of the contract are as follows:

- A. Under the contract, B party should be responsible for acquiring the ownership or land-use right for this project, and let A party use the land by way of registration of the superficies; A party must obtain the user license within 3 years after the signing date, and may operate the dormitories and motorcycle parking lots for 35 years from the start of operation and collect dormitory rentals and use fees of other facilities from students for 50 years from the start of construction, and should return the related assets to B party on the expiry of the contract.
- B. A party should give B party performance guarantee of \$50,000 for this project on the signing date, which will be returned in installment according to the contractual terms. As of September 30, 2022, December 31, 2021 and September 30, 2021, A party had provided performance guarantee with a guarantee letter issued by the bank, all amounting to \$10,000.
- C. During the operation period, A party should pay B party dormitory operating royalties based on the specified proportion of annual operating revenue of the dormitories and auxiliary facilities operating royalties based on the specified proportion of annual operating revenue of the auxiliary facilities. A party should pay such operating royalties for prior year before the end of June every year. Further, according to the superficies contract signed by the two parties, A party should pay B party land rentals from the registration of superficies.
- D. All rights acquired by A party under the contract, except for other conditions specified in the contract and approved by B party, should not be transferred, leased, registered as a liability/obligation or become an executed object of civil litigation.

(7) The Company signed a syndicated loan contract with 7 banks - Mega International Commercial Bank as the lead bank for a credit line of \$2.16 billion. The syndicated loans include long-term (secured) loans and guarantee payments receivable (secured), which are used to fund the construction of dormitories in Changxing St. Campus and Shuiyuan Campus of National Taiwan University. During the loan period, the Company should maintain financial commitments such as current ratio, liability ratio and interest coverage; those financial ratios/restrictions shall be reviewed at least once every year, based on the Company’s audited annual non-consolidated financial statements. If the Company violates the above financial commitments, it shall improve its financial position by capital increase or other ways before the end of October of the following year from the year of violation; it would not be regarded as a default if the managing bank confirms that its financial position has improved completely. In case of violation, interest on the loans would be charged at the loan rate specified in the contract plus additional 0.25% per annum from the notification date of the managing bank to the completion date of financial improvement or to the date the Company gains the relief from the consortium for its violation.

(8) The Company signed a loan contract with Mega International Commercial Bank for a credit line of \$785 million. The loans include long-term (secured) loans and guarantee payments receivable (secured), which are used to fund the construction of student dormitories and alumnus hall of National Cheng Kung University. During the loan period, the Company should maintain financial commitments such as current ratio, liability ratio and interest coverage; those financial ratios/restrictions shall be reviewed at least once every year. Current ratio and liability ratio shall be reviewed based on the Company's audited annual non-consolidated financial statements, and interest coverage based on the Company's revenue and expenditure table for the related project. If the Company violates the above financial commitments, it shall improve its financial position by capital increase or other ways before the end of October of the following year from the year of violation; it would not be regarded as a default if the bank confirms that its financial position has improved completely. In case of violation, interest on the loans would be charged at the loan rate specified in the contract plus additional 0.25% per annum from the notification date of the bank to the completion date of financial improvement or to the date the Company obtains a waiver from the bank for its violation. The abovementioned loan had been paid off in September 2022 in advance.

(9) As of September 30, 2022, December 31, 2021 and September 30, 2021, performance guarantee letters issued for construction undertaking, warranty and leases of subsidiary, Ta-Chen Construction & Engineering Corp., amounted to \$426,856, \$573,236 and \$503,076, respectively.

(10) Certain construction contracts undertaken by subsidiary, Ta-Chen Construction & Engineering Corp., specify that default penalty shall be computed according to the contractual terms if the construction is not completed within the prescribed period.

(11) On October 3, 2018, the subsidiary, The Splendor Hospitality International Co., Ltd., signed two syndicated loan contracts with 7 financial institutions, including Taiwan Cooperative Bank and Bank SinoPac, etc., each amounting to \$1.65 billion and totaling \$3.3 billion, with Prince Housing & Development Corp. and China Metal Products Co., Ltd. as guarantors, respectively. Under the contract, the subsidiary promised its tangible equity (equity less intangible assets) shall not be negative and current ratio, liability ratio, tangible net equity and interest coverage of Prince Housing & Development Corp. and China Metal Products Co., Ltd. shall conform to certain criteria as specified in the contract. If the Splendor Hotel Taichung violates above financial commitments, the managing bank has the right to take the following actions, including but not limited, according to the contract or the resolution of majority of the consortium: 1) request the subsidiary to stop drawing down all or part of the loans; 2) cancel all or part of the credit line of the contract which has not been drawn down yet; 3) announce that all outstanding principal, interest and other accrued expenses payable to the consortium in relation to the loan contract should mature immediately; 4) inform the managing bank of the demand for subsidiary's payment of the promissory note acquired under the loan contract; 5) inform the managing bank to exercise creditor's right of mortgage; 6) exercise contract transfer right, or other rights given by the laws, the loan contract or other relevant documents; 7) take other actions as resolved by the majority of the consortium.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On November 4, 2022, the Board of Directors of the Company resolved as follows:

- (1) The Company's subsidiary, Times Square International Holding Company reduced its capital to offset accumulated deficits, and the reduced amount of paid-in capital was \$1,087,000, the amount of shares eliminated was 108,700 shares, and the capital reduction ratio was approximately 77.8%. Additionally, at the same time, Times Square International Holding Company increased its capital amounting to \$310,000, consisting of 31,000 thousand shares, and the Company acquired all of the shares proportionately to its ownership.
- (2) To fulfill the working capital, the Company's subsidiary, Prince Industrial Corp., increased its capital amounting to \$290,000, consisting of 29,000 thousand shares, and the Company acquired all of the shares proportionately to its ownership.
- (3) To operate the Company's finance and maintain the Group's shareholdings, the Company intended to acquire shares of Nantex Industry Co., Ltd. from the Company's subsidiary, Ta-Chen Construction & Engineering Corp., for a total amount not exceeding \$117,552 by using the block pairs trades through Taiwan Stock Exchange.

## 12. OTHERS

### (1) Capital management

The Group's capital management is to ensure it has sufficient financial resource and operating plans to meet operational capital for future needs, capital expenditure, obligation repayment and dividend distribution. The Company adjusts borrowing amount in accordance with construction progress and capital needed for operations.

### (2) Financial instruments

#### A. Financial instruments by category

	September 30, 2022	December 31, 2021	September 30, 2021
<b>Financial assets</b>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 6,481,438	\$ 4,345,824	\$ 4,107,205
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	2,466,666	2,757,723	2,345,029
Financial assets at amortised cost			
Cash and cash equivalents	7,089,042	6,880,644	4,697,597
Financial assets at amortised cost	1,659,632	1,399,908	1,157,185
Notes receivable	52,177	29,352	59,230
Accounts receivable (including related parties)	627,398	729,838	553,684
Other receivables	8,174	60,927	28,077
Refundable deposits	122,307	156,988	126,216
	<u>\$ 18,506,834</u>	<u>\$ 16,361,204</u>	<u>\$ 13,074,223</u>

Financial liabilities

Financial liabilities at amortised cost

Short-term borrowings	\$ 1,101,000	\$ 1,275,860	\$ 1,149,000
Short-term notes and bills payable	-	250,000	120,000
Notes payable	944	334	1,287
Accounts payable	1,063,443	1,706,282	1,569,177
Other payables	758,529	702,488	577,279
Bonds payable (including current portion)	4,500,000	4,500,000	4,500,000
Long-term borrowings (including current portion)	4,590,000	5,441,624	5,390,879
Long-term notes and accounts payable	808,301	808,301	808,301
Guarantee deposits received	164,448	164,542	189,882
	<hr/> \$ 12,986,665	<hr/> \$ 14,849,431	<hr/> \$ 14,305,805
Lease liability	<hr/> \$ 7,090,481	<hr/> \$ 7,422,173	<hr/> \$ 7,528,868

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Group's finance & accounting division) under policies approved by the Board of Directors. Group's finance & accounting division evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

The Company's businesses do not involve non-functional currency operations, thus would not be materially affected by the exchange rate fluctuations.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. Shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the nine months ended September 30, 2022 and 2021

would have increased/decreased by \$648,144 and \$410,721, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$246,667 and \$234,503, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

#### Cash flow and fair value interest rate risk

The Group's interest rate risk mainly arose from short-term and long-term (excluding commercial papers) borrowings issued at variable rates and exposed the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings at floating rate were calculated by NTD, if interest rates on borrowings had been 0.1% basis point higher/lower with all other variables held constant, profit before tax for the nine months ended September 30, 2022 and 2021 would have been \$5,691 and \$6,180 lower/higher, respectively.

#### (b) Credit risk

Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted, so it expects that the probability of counterparty default is remote. Credit risk arises from outstanding receivables (including contract assets).

#### Accounts receivable and contract assets

- i. The Group will perform credit check in accordance with credit policies when entered into construction contracts, the credit risk of receivables (mainly contract assets or accounts receivable) are low as the result of credit check was low.
- ii. The Group's accounts receivable and contract assets came from general enterprise or government institution. To protect the quality of accounts receivable and contract assets, the Group has created process of credit risk management. The Group considered customers' financial status, historical trading record and future economic condition in accordance with types of customer, and took into account factors that may influence customers' ability to pay to assess the credit quality of customers. The Group estimated credit loss by loss rate.
- iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adjusted the provision matrix with the historical loss of accounts receivable and forecastability, which considered the economic condition in the next one year. The provision matrix in accordance with above estimation are as follows:

	Without past due	Up to 30 days past due	Over 31-60 days	Over 61-90 days	Over 91 days	Total
<u>September 30, 2022</u>						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value of accounts receivable	\$ 623,383	\$ -	\$ 3,649	\$ 161	\$ 508	\$ 627,701
Total book value of contract assets	\$ 393,000	\$ -	\$ -	\$ -	\$ -	\$ 393,000
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ 303	\$ 303
<u>December 31, 2021</u>						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value of accounts receivable	\$ 723,022	\$ 5,182	\$ 918	\$ 259	\$ 721	\$ 730,102
Total book value of contract assets	\$ 506,427	\$ -	\$ -	\$ -	\$ -	\$ 506,427
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ 264	\$ 264
<u>September 30, 2021</u>						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value of accounts receivable	\$ 552,890	\$ -	\$ 554	\$ 160	\$ 354	\$ 553,958
Total book value of contract assets	\$ 143,233	\$ -	\$ -	\$ -	\$ -	\$ 143,233
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ 274	\$ 274

v. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable and contract assets are as follows:

	2022		2021	
	Accounts receivable	Contract assets	Accounts receivable	Contract assets
At January 1	\$ 264	\$ -	\$ 304	\$ -
Provision for impairment loss	39		434	
Derecognised	-	-	(464)	-
At September 30	<u>\$ 303</u>	<u>\$ -</u>	<u>\$ 274</u>	<u>\$ -</u>

vi. The estimation of expected credit loss on financial assets at amortised cost, excluding accounts receivable, is as follows:

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

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group's Finance and Accounting Division. Group's Finance and Accounting Division monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.

ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	September 30, 2022		
	Within 1 year	Between 1 to 3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 1,118,089	\$ -	\$ -
Short-term notes and bills payable	-	-	-
Notes payable	944	-	-
Accounts payable	313,518	749,925	-
Other payables	756,002	2,207	320
Lease liability	548,688	1,085,059	6,374,231
Guarantee deposits received	82,327	53,010	29,111
Bonds payable (including current portion)	2,521,000	-	2,031,600
Long-term borrowings (including current portion)	517,520	3,975,880	222,640
Long-term notes and accounts payable	-	11,456	796,845
	December 31, 2021		
	Within 1 year	Between 1 to 3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 1,285,201	\$ -	\$ -
Short-term notes and bills payable	250,000	-	-
Notes payable	334	-	-
Accounts payable	1,129,365	576,917	-
Other payables	698,043	4,125	320
Lease liability	580,479	1,087,182	6,775,231
Guarantee deposits received	112,723	21,346	30,473
Bonds payable (including current portion)	2,042,000	2,521,000	-
Long-term borrowings (including current portion)	978,320	4,111,471	573,311
Long-term notes and accounts payable	-	-	808,301

	September 30, 2021		
	Within 1 year	Between 1 to 3 years	Over 3 years
<b>Non-derivative financial liabilities:</b>			
Short-term borrowings	\$ 1,157,567	\$ -	\$ -
Short-term notes and bills payable	120,000	-	-
Notes payable	1,287	-	-
Accounts payable	884,809	683,303	1,065
Other payables	572,414	4,546	319
Lease liability	572,328	1,099,482	6,906,622
Guarantee deposits received	109,229	49,831	30,821
Bonds payable (including current portion)	2,042,000	2,521,000	-
Long-term borrowings (including current portion)	813,752	4,228,010	611,407
Long-term notes and accounts payable	-	-	808,301

iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

**(3) Fair value information**

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and beneficiary certificates is included in Level 1.

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

The carrying amounts of the Group's cash and cash equivalents, financial instruments at amortised cost (including financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables, refundable deposits, short-term borrowings, short-term notes payable, notes payable, accounts payable, other payables, lease liability, bonds payables, long-term borrowings, long-term notes and accounts payable, and guarantee deposits received) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at September 30, 2022, December 31, 2021 and September 30, 2021 are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

<u>September 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<b><u>Recurring fair value measurements</u></b>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 6,481,438	\$ -	\$ -	\$ 6,481,438
Financial assets at fair value through other comprehensive income				
Equity securities	892,220	-	1,574,446	2,466,666
	<u>\$ 7,373,658</u>	<u>\$ -</u>	<u>\$ 1,574,446</u>	<u>\$ 8,948,104</u>
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<b><u>Recurring fair value measurements</u></b>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 4,345,824	\$ -	\$ -	\$ 4,345,824
Financial assets at fair value through other comprehensive income				
Equity securities	1,272,034	-	1,485,689	2,757,723
	<u>\$ 5,617,858</u>	<u>\$ -</u>	<u>\$ 1,485,689</u>	<u>\$ 7,103,547</u>
<u>September 30, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<b><u>Recurring fair value measurements</u></b>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 4,107,205	\$ -	\$ -	\$ 4,107,205
Financial assets at fair value through other comprehensive income				
Equity securities	1,308,571	-	1,036,458	2,345,029
	<u>\$ 5,415,776</u>	<u>\$ -</u>	<u>\$ 1,036,458</u>	<u>\$ 6,452,234</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.
- E. For the nine months ended September 30, 2022 and 2021, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the nine months ended September 30, 2022 and 2021:

	2022	2021
	Non-derivative equity instruments	Non-derivative equity instruments
At January 1	\$ 1,485,689	\$ 1,062,034
Gain (loss) recognised in other comprehensive income (Note)	93,571 ( 24,206)	
Sold in the period	( 4,814) ( 1,370)	
At September 30	<u>\$ 1,574,446</u>	<u>\$ 1,036,458</u>

Note: Shown as unrealised gain or loss on financial assets at fair value through other comprehensive income.

- G. For the nine months ended September 30, 2022 and 2021, there was no transfer into or out from Level 3.
- H. Finance and Accounting segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the source of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently assessing valuation results and making any other necessary adjustments to the fair value.
- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at September 30, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 1,574,446	Market comparable companies	EV / EBITDA	12.67-19.12	The higher the weighted average cost of capital, the higher the fair value
		Net asset value	Not applicable		Not applicable
	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 1,485,689	Market comparable companies	EV / EBITDA	12.67-19.12	The higher the weighted average cost of capital, the higher the fair value
		Net asset value	Not applicable		Not applicable
	Fair value at September 30, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 1,036,458	Market comparable companies	Price-earnings ratio, price to book ratio and price to sales ratio multiplier	1.21-35.80	The higher the weighted average cost of capital, the higher the fair value
		Net asset value	Not applicable		Not applicable

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

September 30, 2022					
	Recognised in profit or loss			Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change
Financial assets					
Equity instruments	1,574,446	±1%	\$ -	\$ -	\$ 15,744 (\$ 15,744)

  

December 31, 2021					
	Recognised in profit or loss			Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change
Financial assets					
Equity instruments	1,485,689	±1%	\$ -	\$ -	\$ 14,857 (\$ 14,857)

September 30, 2021

	Recognised in other comprehensive income			
	Recognised in profit or loss			
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instruments	1,036,458	±1%	\$ -	\$ -
			\$ 10,365	(\$ 10,365)

(4) The outbreak of the COVID-19 pandemic in January 2020 has to some extent impacted the occupancy rate of hotels as the number of visitors to Taiwan significantly declined due to the pandemic. However, the Group has actively taken countermeasures and adjusted operating strategies, including requiring the wearing of facial masks at all times and taking body temperature upon entry and exit of operating areas, adjusting employees' work shifts, cutting down on expenditures, applying for grants, etc. The Group also strengthened employee health management and continues to monitor the development of the pandemic to maintain its normal operations. After the adjustments on the above countermeasures, management and operational strategies, the pandemic had no adverse impact on the Group's overall operations and financial position.

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Please refer to table 1.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 3.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Major shareholders information: Please refer to table 7.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions. The Group's corporate composition, basis for segmentation, and basis for measurement of segment's information had no significant changes for the year. The Chief Operating Decision-Maker considers the business from a product perspective.

(2) Measurement of segment information

The Chief Operating Decision-Maker assesses the performance of the operating segments based on the profit (loss) before taxes. This measurement basis excludes the effects of non-recurring revenues/expenditures from the operating segments. Accounting policies of operating segments are the same as the summary of significant accounting policies in Note 4 to the consolidated financial statements.

(3) Information about segment profit or loss and assets

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

Item	Three months ended September 30, 2022				
	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	\$ 1,336,573	\$ 574,769	\$ 146,738	\$ -	\$ 2,058,080
Internal operating revenue-net	82	-	19,123	( 19,205)	-
Total segment revenue	1,336,655	574,769	165,861	-	2,058,080
Costs and expenses	( 1,173,339)	( 580,259)	( 112,423)	35,860	( 1,830,161)
Segment income	163,316	( 5,490)	53,438	-	227,919
Interest income	1,949	927	315	-	3,191
Other income	96,854	4,811	758	( 3,698)	98,725
Other gains and losses	( 82,040)	164	-	-	( 81,876)
Finance costs	( 42,402)	( 43,132)	( 25)	-	( 85,559)
Share of profit (loss) of associates and joint ventures accounted for under the equity method	8,152	-	7,977	28,159	44,288
Income (loss) from continuing operations					
before tax	145,829	( 42,720)	62,463	-	206,688
Income tax (expense) benefit	( 39,149)	15,891	( 276)	-	( 23,534)
Net income (loss) for the period	<u>\$ 106,680</u>	<u>(\$ 26,829)</u>	<u>\$ 62,187</u>		<u>\$ 183,154</u>

Three months ended September 30, 2021

Item	Write-off and				
	Construction	Hotel	Others	Adjustment	Total
External operating revenue-net	\$ 2,015,003	\$ 281,881	\$ 139,103	\$ -	\$ 2,435,987
Internal operating revenue-net	<u>37,740</u>	<u>-</u>	<u>18,116</u>	<u>( 55,856)</u>	<u>-</u>
Total segment revenue	2,052,743	281,881	157,219	-	2,435,987
Costs and expenses	( 1,715,809)	( 465,280)	( 102,704)	48,782	( 2,235,011)
Segment income	<u>336,934</u>	<u>( 183,399)</u>	<u>54,515</u>	<u>-</u>	<u>200,976</u>
Interest income	518	313	311	( 20)	1,122
Other income	167,270	32,523	319	( 1,347)	198,765
Other gains and losses	( 698,230)	( 41)	( 3)	-	( 698,274)
Finance costs	( 34,207)	( 45,915)	( 49)	22	( 80,149)
Share of profit (loss) of associates and joint ventures accounted for under the equity method	( 877,807)	<u>-</u>	<u>8,400</u>	880,006	<u>10,599</u>
Income (loss) from continuing operations					
before tax	( 1,105,522)	( 196,519)	63,493	-	( 366,961)
Income tax (expense) benefit	<u>( 119,647)</u>	<u>33,078</u>	<u>( 185)</u>	<u>-</u>	<u>( 86,754)</u>
Net income (loss) for the period	<u>(\$ 1,225,169)</u>	<u>(\$ 163,441)</u>	<u>\$ 63,308</u>	<u>-</u>	<u>(\$ 453,715)</u>

Nine months ended September 30, 2022

Item	Write-off and				
	Construction	Hotel	Others	Adjustment	Total
External operating revenue-net	\$ 8,488,236	\$ 1,480,289	\$ 443,269	\$ -	\$ 10,411,794
Internal operating revenue-net	<u>240</u>	<u>-</u>	<u>56,487</u>	<u>( 56,727)</u>	<u>-</u>
Total segment revenue	8,488,476	1,480,289	499,756	-	10,411,794
Costs and expenses	( 6,788,241)	( 1,651,422)	( 339,073)	99,369	( 8,679,367)
Segment income	<u>1,700,235</u>	<u>( 171,133)</u>	<u>160,683</u>	<u>-</u>	<u>1,732,427</u>
Interest income	4,580	3,210	919	-	8,709
Other income	348,974	14,272	3,437	( 9,739)	356,944
Other gains and losses	( 617,968)	( 281)	( 74)	-	( 618,323)
Finance costs	( 117,336)	( 130,653)	( 71)	-	( 248,060)
Share of profit (loss) of associates and joint ventures accounted for under the equity method	( 95,121)	<u>-</u>	<u>18,484</u>	156,830	<u>80,193</u>
Income (loss) from continuing operations					
before tax	1,223,364	( 284,585)	183,378	-	1,311,890
Income tax (expense) benefit	<u>( 347,077)</u>	<u>61,999</u>	<u>( 479)</u>	<u>-</u>	<u>( 285,557)</u>
Net income (loss) for the period	<u>\$ 876,287</u>	<u>(\$ 222,586)</u>	<u>\$ 182,899</u>	<u>-</u>	<u>\$ 1,026,333</u>
Segment assets	<u>\$ 38,640,730</u>	<u>\$ 12,946,671</u>	<u>\$ 995,620</u>	<u>( 5,146,179)</u>	<u>\$ 47,436,842</u>
Segment liabilities	<u>\$ 10,191,724</u>	<u>\$ 12,038,522</u>	<u>\$ 51,574</u>	<u>( 663,960)</u>	<u>\$ 21,617,860</u>

Item	Nine months ended September 30, 2021				
	Construction	Hotel	Others	Adjustment	Write-off and Total
External operating revenue-net	\$ 6,840,383	\$ 1,086,325	\$ 419,450	\$ -	\$ 8,346,158
Internal operating revenue-net	64,679	-	54,687	( 119,366)	-
Total segment revenue	6,905,062	1,086,325	474,137	-	8,346,158
Costs and expenses	( 5,993,402)	( 1,539,980)	( 310,478)	151,921	( 7,691,939)
Segment income	911,660	( 453,655)	163,659	-	654,219
Interest income	3,870	2,020	1,016	( 1,621)	5,285
Other income	308,224	75,034	2,902	( 3,932)	382,228
Other gains and losses	404,552	( 299)	( 176)	-	404,077
Finance costs	( 95,206)	( 138,039)	( 117)	1,631	( 231,731)
Share of profit (loss) of associates and joint ventures accounted for under the equity method	26,177	-	23,840	( 18,531)	31,486
Income (loss) from continuing operations					
before tax	1,559,277	( 514,939)	191,124	-	1,245,564
Income tax (expense) benefit	( 239,036)	87,658	( 837)	-	( 152,215)
Net income (loss) for the period	\$ 1,320,241	(\$ 427,281)	\$ 190,287	-	\$ 1,093,349
Segment assets	\$ 39,168,943	\$ 13,113,700	\$ 946,266	( 4,483,985)	\$ 48,744,924
Segment liabilities	\$ 11,701,561	\$ 12,686,558	\$ 52,806	( 673,716)	\$ 23,767,209

#### (4) Reconciliation for segment income (loss) and assets

The revenue from external parties, segment income, segment assets and liabilities reported to the Chief Operating Decision-Maker are measured in a manner consistent with the revenue, profit before taxes, total assets and total liabilities in the financial statements. Information on adjusted consolidated total profit (loss), reportable segment profit after taxes, total assets and total liabilities, and reconciliation for reportable segment assets and liabilities for this year is provided in Note 14(3).

Prince Housing & Development Corp.

Provision of endorsements and guarantees to others

Nine months ended September 30, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Party being endorsed/guaranteed											Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
Number (Note 1)	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of September 30, 2022	Outstanding endorsement/ guarantee amount at September 30, 2022	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral								
0	Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	6	\$ 5,110,520	\$ 2,075,000	\$ 1,850,000	\$ 1,750,000	\$ -	7%	\$ 12,776,301	Y	N	N	Footnote 3		

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'. The same company will have the same number.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: In accordance with the Company's related regulations, the limit on endorsements and guarantees for any single entity is 20% of the Company's net worth based on the latest financial statements and the limit on accumulated amount of transactions of endorsements and guarantees is 50% of the Company's net worth based on the latest financial statements.

Prince Housing & Development Corp.  
 Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures)  
 September 30, 2022

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Table 2

Securities held by	Marketable securities	Name of investee companies	Relationship with the securities issuer	General ledger account	As of September 30, 2022				
					Number of shares	Book value	Ownership (%)	Fair value	Footnote
Prince Housing & Development Corp.	Stock	Nantex Industry Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	7,564,988	\$ 270,827	Note 1	\$ 35.80	Listed company, Note 2
	Stock	ScinoPharm Taiwan, Ltd.	None	Non-current financial assets at fair value through other comprehensive income	23,605,921	580,706	Note 1	24.60	Listed company, Note 3
	Stock	Simplo Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	76,349	20,156	Note 1	264.00	OTC company
	Stock	Universal Venture Capital Investment Corp.	None	Non-current financial assets at fair value through other comprehensive income	1,400,000	13,174	Note 1	9.41	
	Stock	Grand Bills Finance Corp.	None	Non-current financial assets at fair value through other comprehensive income	48,672	655	Note 1	13.45	
	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	2,360,306	376,516	Note 1	159.52	
	Stock	President International Development Corp.	None	Non-current financial assets at fair value through other comprehensive income	87,745,770	829,804	6.63%	9.46	Note 4
	Fund	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss - non-current	6,301,406	80,132	-	12.72	Note 5
	Fund	Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss -current	68,842,925	1,103,883	-	16.03	
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss -current	118,547,967	2,005,357	-	16.92	
	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss -current	35,708,212	453,562	-	12.70	
	Fund	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss -current	20,080,321	301,908	-	15.04	
	Fund	Eastspring Investments Well Pool Money Market Fund	None	Financial assets at fair value through profit or loss -current	25,502,023	351,382	-	13.78	
	Fund	Yuanta De-Li Money Market Fund	None	Financial assets at fair value through profit or loss -current	30,486,020	503,782	-	16.53	
Cheng-Shi Investment Holdings Co., Ltd.	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss -current	1,775,631	30,037	-	16.92	
Ta-Chen Construction & Engineering Corp.	Stock	Nantex Industry Co., Ltd.	None	Financial assets at fair value through profit or loss - non - current	13,327,483	477,124	Note 1	35.80	Listed company
	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	2,155,766	312,625	5.20%	159.52	
Cheng-Shi Construction Co., Ltd.	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss -current	5,934,225	100,383	-	16.92	
Prince Utility Co., Ltd.	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss -current	1,187,105	20,081	-	16.92	
Prince Apartment Management & Maintenance Co., Ltd.	Stock	Prince Housing & Development Corp.	Parent company	Non-current financial assets at fair value through other comprehensive income	655,424	8,783	Note 1	11.15	Listed company
	Stock	Tainan Spinning Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	122,201	3,122	Note 1	16.55	Listed company
Prince Security & Guard Co., Ltd.	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	287,433	41,672	Note 1	159.52	
Prince Property Management Consulting Co., Ltd.	Fund	CTBC Hwa-win Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,172,949	24,000	-	11.13	
Prince Real Estate Co., Ltd.	Stock	Nantex Industry Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	194,282	16,553	Note 1	35.80	Listed company
	Stock	Sung Gang Asset Management Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	47,968	856	Note 1	21.50	OTC company
	Fund	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	11,874,873	178,539	-	15.04	
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss -current	20,721,585	350,526	-	16.92	
	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss -current	23,673,869	300,703	-	12.70	
	Fund	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss -current	14,572,905	200,039	-	13.73	

Note 1: Percentage of Company's ownership is less than 5%.

Note 2: 4,088 thousand shares of outstanding common stock were used as collateral for loan.

Note 3: 17,276 thousand shares of outstanding common stock were used as collateral for loan.

Note 4: 60,000 thousand shares of outstanding common stock were used as collateral for loan.

Note 5: 6,301 thousand units of outstanding common stock were used as collateral for loan.

Prince Housing & Development Corp.  
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
Nine months ended September 30, 2022

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2022		Addition (Note 3)		Disposal (Note 3)			Balance as at September 30, 2022	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares
Prince Housing & Development Corp.	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	59,330,810	\$ 1,000,000	59,217,157	\$ 1,000,000	-	\$ -	\$ -	\$ 118,547,967	\$ 2,000,000
Prince Housing & Development Corp.	Prudential Financial Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	18,855,452	300,000	49,987,473	800,000	-	-	-	68,842,925	1,100,000
Prince Housing & Development Corp.	Allianz Global Investors Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	19,929,969	251,965	15,778,243	200,000	-	-	-	35,708,212	451,965
Prince Real Estate Co., Ltd.	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	20,721,585	350,000	-	-	-	20,721,585	350,000
Prince Real Estate Co., Ltd.	Allianz Global Investors Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	23,673,869	300,000	-	-	-	23,673,869	300,000

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Prince Housing & Development Corp.  
 Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
 Nine months ended September 30, 2022

Table 4

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2022	Turnover rate	Overdue		Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Overdue			
Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	Subsidiary	Other assets - obligation receivable \$ 575,000	-	\$ -	-	\$ -	\$ -	\$ -
Ta-Chen Construction & Engineering Corp.	Uni-President Express Corp.	Affiliate	Accounts receivable \$ 132,911	3.95	-	-	-	-	-

Prince Housing & Development Corp.  
 Significant inter-company transactions during the reporting periods  
 Nine months ended September 30, 2022

Table 5

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Number	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction		Percentage of consolidated total operating revenues or total assets
						Transaction terms	total assets	
0	Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	The Company to the consolidated subsidiaries	Endorsement and guarantee	\$ 1,850,000	In accordance with endorsement and guarantee procedures		3.90%
0	Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	The Company to the consolidated subsidiaries	Other assets - obligation receivables	575,000	Creditor's rights purchase contract		1.21%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The table only discloses transaction amounts of NT\$100 million or more.

Prince Housing & Development Corp.  
Information on investees  
Nine months ended September 30, 2022

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2022			Net profit (loss) of the investee for the nine months ended September 30, 2022			Investment income (loss) recognised by the Company for the nine months ended September 30, 2022		Footnote	
				Balance as at September 30,		Balance as at December 31, 2021			Number of shares	Ownership (%)	Book value	(\$)	(\$)		
				2022	2021	2021	2021	2021							
Prince Housing & Development Corp.	Cheng-Shi Investment Holdings Co., Ltd.	Taiwan	General investment	\$ 1,146,925	\$ 1,146,925	149,365,000	100.00%	\$ 1,312,927	(\$ 522,686)	(\$ 489,089)	Notes 1 and 2				
	Prince Property Management Consulting Co.	Taiwan	Management and consulting	181,000	181,000	17,146,580	100.00%	284,141	1,209	1,203	Note 2				
	Geng-Ding Co., Ltd.	Taiwan	Hotels and catering	120,000	120,000	18,000,000	30.00%	309,411	68,873	20,253	-				
	Prince Housing Investment Corp.	British Virgin Islands	Overseas investment	140,413	140,413	428	100.00%	611,554	21,316	23,078	Notes 1 and 2				
	Uni-President Development Corp.	Taiwan	Leasing of buildings	1,080,000	1,080,000	108,000,000	30.00%	1,151,759	138,188	41,456	Note 4				
	The Splendor Hospitality International Co.,	Taiwan	Hotels and catering	325,000	175,000	32,500,000	50.00%	261,566	( 66,587)	( 33,294)	Notes 2 and 5				
	Jin-Yi-Xing Plywood Co., Ltd.	Taiwan	Manufacture of plywoods	165,410	165,410	3,938,168	99.65%	( 289,676)	( 74)	( 74)	Note 2				
	Prince Industrial Co.	Taiwan	Development of public housing and building	10,000	10,000	1,000,000	100.00%	9,181	( 26)	( 47)	Note 2				
	Prince Real Estate Co., Ltd.	Taiwan	Real estate trading and leasing	470,784	470,784	12,292,315	99.68%	1,351,234	680,236	656,362	Notes 1 and 2				
	Times Square International Holding Company	Taiwan	General investment	1,197,270	1,197,270	139,800,000	100.00%	385,017	( 314,969)	( 314,969)	Note 2				
Cheng-Shi Investment Holdings Co., Ltd.	Ta-Chen Construction & Engineering Corp.	Taiwan	Construction	856,566	856,566	122,616,762	100.00%	1,117,785	( 525,874)	-	Notes 2 and 3				
	Prince Utility Co., Ltd.	Taiwan	Electricity water pipe	56,025	56,025	3,070,000	100.00%	37,984	( 5,987)	-	Notes 2 and 3				
	Cheng-Shi Construction Co., Ltd.	Taiwan	Construction	208,027	208,027	20,100,000	100.00%	197,201	( 9,653)	-	Notes 2 and 3				
Prince Housing Investment Corp.	PPG Investment Inc.	U.S.A	Overseas investment	56,945	56,945	273	27.30%	25,286	13,615	-	Note 3				
	Queen Holdings Ltd.	British Virgin Islands	Overseas investment	122,034	122,034	2,730	27.30%	399,128	54,092	-	Note 3				
Prince Property Management Consulting Co.	Prince Apartment Management & Maintenance Co., Ltd.	Taiwan	Management of apartments	67,853	67,853	3,000,000	100.00%	44,982	2,256	-	Notes 2 and 3				
	Prince Security & Guard Co., Ltd.	Taiwan	Security	159,611	159,611	13,172,636	100.00%	192,879	( 929)	-	Notes 2 and 3				
Princre Real Estate Co., Ltd.	Amida Trustlink Assets Management Co., Ltd.	Taiwan	Development of public housing and building	304,289	304,289	21,525,020	45.21%	( 140,095)	( 447)	-	Note 3				
Times Square International Holding Company	Times Square International Hotel Corp.	Taiwan	Hotels and catering	943,270	943,270	103,000,000	100.00%	184,018	( 247,522)	-	Notes 2 and 3				
	Times Square International Stays Corp.	Taiwan	Hotels and catering	520,000	520,000	52,000,000	100.00%	197,663	( 67,338)	-	Notes 2 and 3				

Note 1: The difference between the income (loss) of the investee and the investment income (loss) of the investee recognised by the Company is the investment income (loss) of the investee recognised by the Company in proportion to the share ownership and unrealised gain (loss) from elimination of inter-Company transactions.

Note 2: Subsidiary.

Note 3: The amount has been included in the profit (loss) of the Company's investee accounted using equity method and has been recognised as gain (loss) on investment.

Note 4: Provided 90,000 thousand shares as collateral.

Note 5: The investee increased its capital amounting to \$300,000 by issuing new shares of 30 million shares for the year. The face value and issuance price were both NT\$10 (in dollars)

Prince Housing & Development Corp.

Major shareholders information

Nine months ended September 30, 2022

Table 7

Name of major shareholders	Shares		Ownership (%)
	Number of shares held		
Uni-President Enterprises Corp.	162,743,264		10.02%
Taipo Investment Co., Ltd.	116,730,587		7.19%