

**PRINCE HOUSING & DEVELOPMENT
CORP. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2023 AND 2022**

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

To the Board of Directors and Shareholders of Prince Housing & Development Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Prince Housing & Development Corp. and subsidiaries (the "Group") as at September 30, 2023 and 2022, 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" that came into effect 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 Standard on Review Engagements 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity" of 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\$9,625,174 thousand and NT\$10,342,554 thousand, constituting 21% and 22% of the consolidated total assets, and total liabilities of NT\$6,747,857 thousand and NT\$6,146,809 thousand, constituting 34% and 28% of the consolidated total liabilities as at September 30, 2023 and 2022, and total comprehensive income (loss) of NT(\$16,747) thousand, NT\$93,619 thousand, NT(\$29,745) thousand and NT\$512,291 thousand, constituting (54%), 54%, (6%) and 72% of the consolidated total comprehensive income for the three months and nine months then ended, respectively. Additionally, 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 for the three months and nine months ended September 30, 2023 and 2022 were NT\$29,045 thousand, NT\$44,288 thousand, NT\$82,979 thousand and NT\$80,193 thousand, respectively. As of September 30, 2023 and 2022, the relevant investment amounts were NT\$1,760,862 thousand and NT\$1,745,489 thousand, respectively (including the credit balances of other non-current liabilities – others amounting to NT\$140,408 thousand and NT\$140,095 thousand, 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 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, 2023 and 2022, 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

WANG, CHUN-KAI

For and on behalf of PricewaterhouseCoopers, Taiwan

November 10, 2023

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, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	September 30, 2023		December 31, 2022		September 30, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 8,566,159	19	\$ 9,999,828	21	\$ 7,089,042	15
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	2,580,571	6	3,619,731	8	5,924,182	13
1136	Current financial assets at amortised cost	6(4) and 8	2,003,296	4	1,153,734	2	994,557	2
1140	Current contract assets	6(24) and 7	513,927	1	511,183	1	393,000	1
1150	Notes receivable, net	6(5)	57,243	-	19,372	-	52,177	-
1170	Accounts receivable, net	6(5)	333,502	1	445,916	1	488,247	1
1180	Accounts receivable - related parties, net	6(5) and 7	236,344	-	341,842	1	139,151	-
1200	Other receivables		9,440	-	4,374	-	8,174	-
1220	Current income tax assets		177	-	7,262	-	1,634	-
130X	Inventories, net	6(6) and 8	6,665,501	15	6,839,811	14	6,923,694	15
1410	Prepayments		88,478	-	66,399	-	98,294	-
1479	Other current assets		22,161	-	18,250	-	17,083	-
11XX	Current Assets		<u>21,076,799</u>	<u>46</u>	<u>23,027,702</u>	<u>48</u>	<u>22,129,235</u>	<u>47</u>
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 8	450,176	1	458,133	1	557,256	1
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 8	2,427,063	5	2,318,365	5	2,466,666	5
1535	Non-current financial assets at amortised cost	6(4) and 8	694,437	2	636,504	1	665,075	1
1550	Investments accounted for under equity method	6(7) and 8	1,901,270	4	1,907,292	4	1,885,584	4
1600	Property, plant and equipment, net	6(8) and 8	5,444,162	12	5,514,126	12	5,538,759	12
1755	Right-of-use assets	6(9) and 7	6,029,513	13	6,263,451	13	6,351,675	13
1760	Investment property, net	6(11) and 8	5,348,401	12	5,399,644	11	5,421,073	12
1780	Intangible assets, net	6(12)	1,827,993	4	1,874,174	4	1,889,857	4
1840	Deferred income tax assets		296,260	1	321,421	1	334,886	1
1920	Refundable deposits	7	129,582	-	142,086	-	122,307	-
1990	Other non-current assets		127,404	-	90,916	-	74,469	-
15XX	Non-current assets		<u>24,676,261</u>	<u>54</u>	<u>24,926,112</u>	<u>52</u>	<u>25,307,607</u>	<u>53</u>
1XXX	Total assets		<u>\$ 45,753,060</u>	<u>100</u>	<u>\$ 47,953,814</u>	<u>100</u>	<u>\$ 47,436,842</u>	<u>100</u>

(Continued)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	September 30, 2023		December 31, 2022		September 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(13) and 8	\$ 861,000	2	\$ 1,301,000	3	\$ 1,101,000	2
2130	Current contract liabilities	6(24) and 7	514,597	1	622,708	1	536,619	1
2150	Notes payable		1,112	-	1,597	-	944	-
2170	Accounts payable	7	1,046,898	3	1,475,835	3	1,063,443	2
2200	Other payables	6(14)	491,905	1	779,359	2	758,529	2
2230	Current income tax liabilities		10,512	-	54,644	-	202,814	1
2280	Current lease liabilities	7	471,681	1	441,219	1	439,486	1
2310	Receipts in advance		68,259	-	32,323	-	55,504	-
2320	Long-term liabilities, current portion	6(15)(16) and 8	3,330,000	7	5,880,000	12	3,010,000	6
2399	Other current liabilities		52,511	-	53,958	-	69,769	-
21XX	Current Liabilities		<u>6,848,475</u>	<u>15</u>	<u>10,642,643</u>	<u>22</u>	<u>7,238,108</u>	<u>15</u>
Non-current liabilities								
2530	Bonds payable	6(15)	4,500,000	10	2,000,000	4	2,000,000	4
2540	Long-term borrowings	6(16) and 8	775,000	2	1,120,000	2	4,080,000	9
2550	Provisions for liabilities - non-current	6(17)	178,881	-	165,984	-	159,430	-
2570	Deferred income tax liabilities		279,965	1	279,965	1	279,020	1
2580	Non-current lease liabilities	7	6,323,157	14	6,566,017	14	6,650,995	14
2610	Long-term notes and accounts payable		808,301	2	808,301	2	808,301	2
2640	Net defined benefit liability - non-current		21,662	-	26,018	-	42,354	-
2645	Guarantee deposits received		169,853	-	164,977	-	164,448	-
2670	Other non-current liabilities	6(7)	195,627	-	195,562	1	195,204	1
25XX	Non-current liabilities		<u>13,252,446</u>	<u>29</u>	<u>11,326,824</u>	<u>24</u>	<u>14,379,752</u>	<u>31</u>
2XXX	Total Liabilities		<u>20,100,921</u>	<u>44</u>	<u>21,969,467</u>	<u>46</u>	<u>21,617,860</u>	<u>46</u>
Equity attributable to owners of parent								
Share capital								
3110	common stock	6(19)	16,233,261	35	16,233,261	34	16,233,261	34
Capital surplus								
3200	Capital surplus	6(20)	2,260,513	5	2,260,513	5	2,260,513	5
Retained earnings								
3310	Legal reserve	6(21)	2,536,541	5	2,387,299	5	2,387,299	5
3350	Unappropriated retained earnings		3,080,260	7	3,655,405	8	3,225,246	7
Other equity interest								
3400	Other equity interest	6(22)	1,293,054	3	1,184,285	2	1,447,285	3
3500	Treasury stocks	6(19)	(1,003)	-	(1,003)	-	(1,003)	-
31XX	Equity attributable to owners of the parent		<u>25,402,626</u>	<u>55</u>	<u>25,719,760</u>	<u>54</u>	<u>25,552,601</u>	<u>54</u>
36XX	Non-controlling interest	4(3)	249,513	1	264,587	-	266,381	-
3XXX	Total equity		<u>25,652,139</u>	<u>56</u>	<u>25,984,347</u>	<u>54</u>	<u>25,818,982</u>	<u>54</u>
Significant contingent liabilities and unrecognised contract commitments								
Significant events after the balance sheet date								
3X2X	Total liabilities and equity		<u>\$ 45,753,060</u>	<u>100</u>	<u>\$ 47,953,814</u>	<u>100</u>	<u>\$ 47,436,842</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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Three months ended September 30				Nine months ended September 30			
		2023		2022		2023		2022	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(24) and 7	\$ 1,955,703	100	\$ 2,058,080	100	\$ 6,267,075	100	\$ 10,411,794	100
5000 Operating costs	6(6)(12)(29)	(1,371,196)	(70)	(1,363,857)	(66)	(4,500,387)	(72)	(7,136,690)	(68)
5900 Gross profit		<u>584,507</u>	<u>30</u>	<u>694,223</u>	<u>34</u>	<u>1,766,688</u>	<u>28</u>	<u>3,275,104</u>	<u>32</u>
Operating expenses	6(12)(29)								
6100 Selling expenses		(23,745)	(1)	(47,945)	(3)	(80,815)	(1)	(221,054)	(2)
6200 General and administrative expenses		(478,929)	(25)	(418,328)	(20)	(1,298,897)	(21)	(1,321,584)	(13)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(56)	-	(31)	-	(146)	-	(39)	-
6000 Total operating expenses		<u>(502,730)</u>	<u>(26)</u>	<u>(466,304)</u>	<u>(23)</u>	<u>(1,379,858)</u>	<u>(22)</u>	<u>(1,542,677)</u>	<u>(15)</u>
6900 Operating profit		<u>81,777</u>	<u>4</u>	<u>227,919</u>	<u>11</u>	<u>386,830</u>	<u>6</u>	<u>1,732,427</u>	<u>17</u>
Non-operating income and expenses									
7100 Interest income	6(25)	12,412	1	3,191	-	46,085	1	8,709	-
7010 Other income	6(3)(26)	70,550	4	98,725	5	199,839	3	356,944	3
7020 Other gains and losses	6(2)(27)	(5,127)	-	(81,876)	(4)	17,653	-	(618,323)	(6)
7050 Finance costs	6(6)(28) and 7	(89,935)	(5)	(85,559)	(4)	(259,833)	(4)	(248,060)	(2)
7060 Share of profit of associates and joint ventures accounted for under equity method	6(7)	<u>29,045</u>	<u>1</u>	<u>44,288</u>	<u>2</u>	<u>82,979</u>	<u>2</u>	<u>80,193</u>	<u>1</u>
7000 Total non-operating income and expenses		<u>16,945</u>	<u>1</u>	<u>(21,231)</u>	<u>(1)</u>	<u>86,723</u>	<u>2</u>	<u>(420,537)</u>	<u>(4)</u>
7900 Profit before income tax		<u>98,722</u>	<u>5</u>	<u>206,688</u>	<u>10</u>	<u>473,553</u>	<u>8</u>	<u>1,311,890</u>	<u>13</u>
7950 Income tax expense	6(30)	(18,563)	(1)	(23,534)	(1)	(100,395)	(2)	(285,557)	(3)
8200 Profit for the period		<u>\$ 80,159</u>	<u>4</u>	<u>\$ 183,154</u>	<u>9</u>	<u>\$ 373,158</u>	<u>6</u>	<u>\$ 1,026,333</u>	<u>10</u>
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss									
8316 Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(22)	(\$ 49,302)	(2)	(\$ 10,330)	(1)	\$ 108,769	2	(\$ 312,935)	(3)
8310 Components of other comprehensive income that will not be reclassified to profit or loss		<u>(49,302)</u>	<u>(2)</u>	<u>(10,330)</u>	<u>(1)</u>	<u>108,769</u>	<u>2</u>	<u>(312,935)</u>	<u>(3)</u>
8300 Total other comprehensive income (loss) for the period		<u>(\$ 49,302)</u>	<u>(2)</u>	<u>(\$ 10,330)</u>	<u>(1)</u>	<u>\$ 108,769</u>	<u>2</u>	<u>(\$ 312,935)</u>	<u>(3)</u>
8500 Total comprehensive income for the period		<u>\$ 30,857</u>	<u>2</u>	<u>\$ 172,824</u>	<u>8</u>	<u>\$ 481,927</u>	<u>8</u>	<u>\$ 713,398</u>	<u>7</u>
Profit (loss), attributable to:									
8610 Owners of the parent		\$ 86,115	4	\$ 182,660	9	\$ 385,760	6	\$ 1,057,450	10
8620 Non-controlling interest		(5,956)	-	494	-	(12,602)	-	(31,117)	-
		<u>\$ 80,159</u>	<u>4</u>	<u>\$ 183,154</u>	<u>9</u>	<u>\$ 373,158</u>	<u>6</u>	<u>\$ 1,026,333</u>	<u>10</u>
Comprehensive income (loss) attributable to:									
8710 Owners of the parent		\$ 36,812	2	\$ 172,330	8	\$ 494,528	8	\$ 744,515	7
8720 Non-controlling interest		(5,955)	-	494	-	(12,601)	-	(31,117)	-
		<u>\$ 30,857</u>	<u>2</u>	<u>\$ 172,824</u>	<u>8</u>	<u>\$ 481,927</u>	<u>8</u>	<u>\$ 713,398</u>	<u>7</u>
Earnings per share (in dollars)	6(31)								
9750 Basic earnings per share		\$ 0.05		\$ 0.11		\$ 0.24		\$ 0.65	
9850 Diluted earnings per share		\$ 0.05		\$ 0.11		\$ 0.24		\$ 0.64	

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent										
		Share capital - common stock	Capital surplus, additional paid-in capital	Retained Earnings		Other equity interest			Treasury stocks	Total	Non-controlling interest	Total equity
				Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income					
<u>Nine months ended September 30, 2022</u>												
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(31)	-	-	-	1,057,450	-	-	-	1,057,450	(31,117)	1,026,333	
Other comprehensive loss for the period	6(3)(22)	-	-	-	-	-	(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(21)	-	-	-	(811,663)	-	-	-	(811,663)	-	(811,663)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	4,814	-	(4,814)	-	-	-	-	
Changes in non-controlling interest	4(3)	-	-	-	-	-	-	-	-	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	
<u>Nine months ended September 30, 2023</u>												
Balance at January 1, 2023		\$ 16,233,261	\$ 2,260,513	\$ 2,387,299	\$ 3,655,405	(\$ 48)	\$ 1,184,333	(\$ 1,003)	\$ 25,719,760	\$ 264,587	\$ 25,984,347	
Profit (loss) for the period	6(31)	-	-	-	385,760	-	-	-	385,760	(12,602)	373,158	
Other comprehensive income for the period	6(3)(22)	-	-	-	-	-	108,769	-	108,769	-	108,769	
Total comprehensive income (loss)		-	-	-	385,760	-	108,769	-	494,529	(12,602)	481,927	
Appropriations and distribution of 2022 earnings:												
Legal reserve		-	-	149,242	(149,242)	-	-	-	-	-	-	
Cash dividends	6(21)	-	-	-	(811,663)	-	-	-	(811,663)	-	(811,663)	
Changes in non-controlling interest		-	-	-	-	-	-	-	-	(2,472)	(2,472)	
Balance at September 30, 2023		\$ 16,233,261	\$ 2,260,513	\$ 2,536,541	\$ 3,080,260	(\$ 48)	\$ 1,293,102	(\$ 1,003)	\$ 25,402,626	\$ 249,513	\$ 25,652,139	

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 473,553	\$ 1,311,890
Adjustments			
Income and expenses having no effect on cash flows			
Net (gain) loss on financial assets at fair value through profit or loss	6(2)(27)	(19,269)	644,312
Expected credit impairment loss	12(2)	146	39
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(82,979)	(80,193)
Gain on disposal of property, plant and equipment	6(27)	1,559	(27,195)
Property, plant and equipment transferred to expenses		1,507	409
Gain from changes in lease payments arising from the rent concessions	6(9)	-	(1,670)
Gain arising from lease modification	6(9)	(18)	(47)
Depreciation	6(8)(9)(11)(29)	562,543	569,990
Amortization	6(12)(29)	46,714	47,215
Interest expense	6(28)	258,933	247,160
Interest income	6(25)	(46,085)	(8,709)
Dividend income	6(3)(26)	(75,267)	(215,755)
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		1,066,386	(2,779,926)
Current contract assets		(2,744)	113,427
Notes receivable		(37,871)	(22,825)
Accounts receivable		112,268	235,092
Accounts receivable - related parties		105,498	(132,691)
Other receivables		(10,147)	13,048
Inventories		162,900	4,398,328
Prepayments		169	30,570
Other current assets		(3,911)	(14,539)
Other non-current liabilities		(41,926)	1,787
Net changes in liabilities relating to operating activities			
Current contract liabilities		(108,111)	(805,714)
Notes payable		(485)	610
Accounts payable		(428,937)	(642,839)
Other payables		(278,984)	66,250
Receipts in advance		35,936	26,452
Other current liabilities		(1,447)	(30,701)
Provisions for liabilities - non-current		12,897	22,926
Net defined benefit liability - non-current		(4,356)	(12,626)
Other non-current liabilities, others		65	111
Cash inflow generated from operations		1,698,537	2,954,186
Interest received		46,085	8,709
Cash dividend received		164,268	260,229
Interest paid		(289,747)	(266,591)
Income tax paid		(107,200)	(229,685)
Net cash flows from operating activities		<u>1,511,943</u>	<u>2,726,848</u>

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in current financial assets at amortised cost-current		(\$ 849,562)	(\$ 228,639)
Acquisition of non-current financial assets at fair value through other comprehensive income		-	(21,905)
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income		-	27
Proceeds from returning fees of non-current financial assets at fair value through other comprehensive income		71	-
Increase in non-current financial assets at amortised cost		(57,933)	(31,085)
Acquisition of property, plant and equipment	6(8)	(63,822)	(27,503)
Proceeds from disposal of property, plant and equipment		5	31,060
Increase in intangible assets	6(12)	(533)	(585)
Decrease in refundable deposits		12,504	34,681
Net cash flows used in investing activities		(959,270)	(243,949)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(33)	(440,000)	(174,860)
Decrease in short-term notes and bills payable	6(33)	-	(250,000)
Repayments of bonds	6(33)	(2,500,000)	(2,000,000)
Proceeds from issuance of bonds	6(33)	2,500,000	2,000,000
Repayment of long-term borrowings	6(33)	(395,000)	(1,151,624)
Proceeds from long-term borrowings	6(33)	-	300,000
Increase (decrease) in guarantee deposits received	6(33)	4,876	(94)
Payments of lease liabilities	6(33)	(342,083)	(336,260)
Cash dividends paid	6(21)	(811,663)	(811,663)
Change in non-controlling interest	4(3)	(2,472)	150,000
Net cash flows used in financing activities		(1,986,342)	(2,274,501)
Net (decrease) increase in cash and cash equivalents		(1,433,669)	208,398
Cash and cash equivalents at beginning of period		9,999,828	6,880,644
Cash and cash equivalents at end of period		\$ 8,566,159	\$ 7,089,042

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, 2023 AND 2022

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

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 authorised for issuance by the Board of Directors on November 10, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 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.

(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 the FSC and will become effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
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 21, 'Lack of exchangeability'	January 1, 2025

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 MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2022, 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’ that came into effect 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, 2022.

(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 that came into effect 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 Group’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 2022 consolidated financial statements is the same.

- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			September 30, 2023	December 31, 2022	
Prince Housing & Development Corp.	Prince Property Management Consulting Co.	Real estate agency and management consulting	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、2 and 3
	Jin-Yi-Xing Plywood Co., Ltd.	Manufacture of plywood	99.65	99.65	Note 2
	Prince Industrial Corp.	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
	Times Square International Holding Company	General investments	100	100	
Prince Property Management Consulting Co.	Prince Apartment Management & Maintenance Co., Ltd.	Management of apartment	100	100	Note 2
	Prince Security & Guard Co., Ltd.	Security	100	100	Note 2

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			September 30, 2023	December 31, 2022	
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 Holding Company	Times Square International Hotel Corp.	Hotels and catering	100	100	
	Times Square International Stays Corp.	Hotels and catering	100	100	Note 2
Prince Industrial Corp.	Prince Chong-De Industrial Corp.	Development of public housing and building	100	-	Notes 2 and 4

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			September 30, 2022		
Prince Housing & Development Corp.	Prince Property Management Consulting Co.	Real estate agency and management consulting	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、2 and 3
	Jin-Yi-Xing Plywood Co., Ltd.	Manufacture of plywood	99.65		Note 2
	Prince Industrial Corp.	Development of public housing and building	100		Note 2
	Prince Real Estate Co., Ltd.	Real estate trading and leasing	99.68		Note 2
	Times Square International Holding Company	General investments	100		
Prince Property Management Consulting Co.	Prince Apartment Management & Maintenance Co., Ltd.	Management of apartment	100		Note 2
	Prince Security & Guard Co., Ltd.	Security	100		Note 2
Cheng-Shi Investment Holdings Co., Ltd.	Ta Chen Construction & Engineering Corp.	Construction	100		
	Prince Utility Co., Ltd.	Electricity and water pipe maintenance	100		Note 2
	Cheng-Shi Construction Co., Ltd.	Construction	100		Note 2
Times Square International Holding Company	Times Square International Hotel Corp.	Hotels and catering	100		
	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 International 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, 2023 and 2022 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 3: The investee increased its capital amounting to \$300,000 by issuing new shares of 30 million shares in the first quarter of 2022. The face value and issuance price were both NT\$10 (in dollars). The Company subscribed to the new shares according to its shareholding ratio.

Note 4: The investee was newly established in September 2023.

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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Cash on hand and revolving funds	\$ 8,964	\$ 8,760	\$ 9,045
Checking accounts and demand deposits	4,870,239	6,390,269	5,777,339
Deposit account	50,000	-	-
Repurchase bonds	<u>3,636,956</u>	<u>3,600,799</u>	<u>1,302,658</u>
	<u>\$ 8,566,159</u>	<u>\$ 9,999,828</u>	<u>\$ 7,089,042</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(25).

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

<u>Items</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 2,528,602	\$ 3,594,988	\$ 5,899,175
Valuation adjustment	<u>51,969</u>	<u>24,743</u>	<u>25,007</u>
	<u>\$ 2,580,571</u>	<u>\$ 3,619,731</u>	<u>\$ 5,924,182</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed (TSE and OTC) stocks	\$ 146,989	\$ 146,989	\$ 264,520
Beneficiary certificates	<u>76,000</u>	<u>76,000</u>	<u>76,000</u>
	222,989	222,989	340,520
Valuation adjustments	<u>227,187</u>	<u>235,144</u>	<u>216,736</u>
	<u>\$ 450,176</u>	<u>\$ 458,133</u>	<u>\$ 557,256</u>

- A. The Group recognised net gains (losses) of \$(4,086), (\$81,816), \$19,269 and (\$644,312) on financial assets at fair value through profit or loss for the three months and nine months ended September 30, 2023 and 2022, 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, 2023	December 31, 2022	September 30, 2022
Non-current items:			
Designation of equity instruments			
Listed stocks	\$ 232,771	\$ 232,842	\$ 115,144
Unlisted stocks	<u>902,198</u>	<u>902,198</u>	<u>902,197</u>
	1,134,969	1,135,040	1,017,341
Valuation adjustments	<u>1,292,094</u>	<u>1,183,325</u>	<u>1,449,325</u>
	<u>\$ 2,427,063</u>	<u>\$ 2,318,365</u>	<u>\$ 2,466,666</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 \$2,427,063, \$2,318,365 and \$2,466,666 as at September 30, 2023, December 31, 2022 and September 30, 2022, 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. For the year ended December 31, 2022, to operate the Company's finance and maintain the Group's shareholdings, the Company acquired listed stocks from the Company's subsidiary, Ta Chen Construction & Engineering Corp., for a total amount of \$117,698 (including \$167 of transaction fee) by using the block pair trades through Taiwan Stock Exchange.
- 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,	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ <u>49,302</u>)	(\$ <u>10,330</u>)
Cumulative gains reclassified to retained earnings due to derecognition	<u>\$ -</u>	<u>\$ -</u>
Dividend income recognised in profit or loss held at end of period	<u>\$ 32,084</u>	<u>\$ 69,459</u>

	Nine months ended September 30,	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 108,769	(\$ 312,935)
Cumulative gains reclassified to retained earnings due to derecognition	\$ -	\$ 4,814
Dividend income recognised in profit or loss held at end of period	\$ 54,872	\$ 122,463

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, 2023	December 31, 2022	September 30, 2022
Current items:			
Time deposits maturing in excess of three months	\$ 1,986,192	\$ 1,124,816	\$ 964,233
Trust account	17,104	28,918	30,324
	<u>\$ 2,003,296</u>	<u>\$ 1,153,734</u>	<u>\$ 994,557</u>
Non-current items:			
Compensating balance	\$ 461,217	\$ 494,673	\$ 503,317
Pledged certificate of deposit	123,220	141,831	161,758
Time deposits maturing in excess of one year	110,000	-	-
	<u>\$ 694,437</u>	<u>\$ 636,504</u>	<u>\$ 665,075</u>

A. As at September 30, 2023, December 31, 2022 and September 30, 2022, 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 \$2,697,733, \$1,790,238 and \$1,659,632, 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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Notes receivable	<u>\$ 57,243</u>	<u>\$ 19,372</u>	<u>\$ 52,177</u>
Accounts receivable	<u>\$ 334,417</u>	<u>\$ 446,691</u>	<u>\$ 488,550</u>
Less: Allowance for doubtful accounts	<u>(915)</u>	<u>(775)</u>	<u>(303)</u>
	<u>\$ 333,502</u>	<u>\$ 445,916</u>	<u>\$ 488,247</u>
Accounts receivable - related parties	<u>\$ 236,344</u>	<u>\$ 341,842</u>	<u>\$ 139,151</u>

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

	<u>September 30, 2023</u>		<u>December 31, 2022</u>		<u>September 30, 2022</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>
Without past due	<u>\$ 57,243</u>	<u>\$564,136</u>	<u>\$ 19,372</u>	<u>\$775,632</u>	<u>\$ 52,177</u>	<u>\$623,383</u>
Up to 30 days	-	1,974	-	11,272	-	-
31 to 60 days	-	2,561	-	564	-	3,649
61 to 90 days	-	173	-	-	-	161
Over 91 days	-	1,917	-	1,065	-	508
	<u>\$ 57,243</u>	<u>\$570,761</u>	<u>\$ 19,372</u>	<u>\$788,533</u>	<u>\$ 52,177</u>	<u>\$627,701</u>

The above ageing analysis was based on past due date.

B. As at September 30, 2023, December 31, 2022, September 30, 2022 and January 1, 2022, the balances of receivables (including notes receivable) from contracts with customers amounted to \$549,109, \$774,432, \$608,529 and \$725,858, respectively.

C. As at September 30, 2023, December 31, 2022 and September 30, 2022, 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 \$57,243, \$19,372 and \$52,177, respectively; the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$569,846, \$787,758 and \$627,398, 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, 2023		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 5,572,770	(\$ 62,573)	\$ 5,510,197
Construction in progress	111,148	-	111,148
Buildings and land held for sale	808,265	(10,549)	797,716
Prepayment for land	228,635	-	228,635
Merchandise	17,805	-	17,805
	<u>\$ 6,738,623</u>	<u>(\$ 73,122)</u>	<u>\$ 6,665,501</u>
	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 5,573,041	(\$ 62,573)	\$ 5,510,468
Construction in progress	116,419	-	116,419
Buildings and land held for sale	978,154	(12,852)	965,302
Prepayment for land	228,635	-	228,635
Merchandise	18,987	-	18,987
	<u>\$ 6,915,236</u>	<u>(\$ 75,425)</u>	<u>\$ 6,839,811</u>
	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>

A. The cost of inventories recognised as expense for the three months and nine months ended September 30, 2023 and 2022 was \$959,802, \$956,935, \$3,229,789 and \$5,826,878, respectively, including the amounts of \$917, \$0, \$2,303 and \$606, respectively, that the Group reversed from a previous inventory write-down and accounted for as reduction of cost of goods sold because the related inventory items were 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,	
	2023	2022
Interest paid before capitalization	\$ 90,435	\$ 85,714
Interest capitalized	\$ 800	\$ 455
Annual interest rate used for capitalization	0.56%~0.82%	0.74%~0.83%
	Nine months ended September 30,	
	2023	2022
Interest paid before capitalization	\$ 261,182	\$ 248,591
Interest capitalized	\$ 2,249	\$ 1,431
Annual interest rate used for capitalization	0.56%~0.84%	0.72%~1.00%

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

(a) Buildings and land in progress

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Taipei branch</u>			
Bali Dist Chung Chang Section No.222 and 211-1, etc.	\$ 692,306	\$ 692,297	\$ 692,254
<u>Taichung branch</u>			
Beitun Dist. Rong-De Lot No.129, etc.	764,321	764,466	764,372
Qingshui Dist. Wu Show Section No. 1037, No. 1038, No. 1040, etc.	216,704	216,704	216,704
	<u>981,025</u>	<u>981,170</u>	<u>981,076</u>
<u>Tainan branch</u>			
Jin Hua Section No. 1361	689,322	689,315	689,315
Shan Chia Section No. 939, etc.	157,380	157,201	156,489
Others	3,738	3,738	3,738
	<u>850,440</u>	<u>850,254</u>	<u>849,542</u>
<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
	<u>437,303</u>	<u>437,303</u>	<u>437,303</u>
Total buildings and land in process	\$ <u>2,961,074</u>	\$ <u>2,961,024</u>	\$ <u>2,960,175</u>

(b) Undeveloped land held for construction site

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Taipei branch</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>

	September 30, 2023	December 31, 2022	September 30, 2022
<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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Taipei branch</u>			
Prince Hua Wei	\$ 526,553	\$ 615,951	\$ 615,951
Prince Yuan	67,259	82,586	82,586
Prince Da Din	11,811	12,025	12,025
Prince W	-	18,542	18,542
Prince Pine Garden	-	8,258	9,133
Prince Shin Yi (Xin Zhuang Fuduxin)	-	-	31,171
	<u>605,623</u>	<u>737,362</u>	<u>769,408</u>
<u>Taichung branch</u>			
Prince Xian Heng	115,544	115,484	117,800
Prosperous New World	26,892	27,713	27,713
Prince Holiday Mansion	9,058	9,058	9,058
Others	6,118	6,118	6,118
	<u>157,612</u>	<u>158,373</u>	<u>160,689</u>
<u>Tainan branch</u>			
Jun Chan LV	\$ 8,162	\$ 19,725	\$ 19,725
Prince Golden Age	4,145	4,145	4,145
Prince WIN2 Future	-	11,837	11,837
Word of Peak	-	-	10,447
Others	2,292	2,292	2,292
	<u>14,599</u>	<u>37,999</u>	<u>48,446</u>
<u>Kaohsiung branch</u>			
Prince Castle (Townhouse)	30,132	30,132	30,132
Prince Cloud C Apartment	24,287	25,911	25,911
Cozy Prince Mansion	-	9,000	23,073
Prince Da Din	-	3,259	3,259
Prince Castle (Building)	-	-	5,665
	<u>54,419</u>	<u>68,302</u>	<u>88,040</u>
Total buildings and land held for sale	<u>\$ 832,253</u>	<u>\$ 1,002,036</u>	<u>\$ 1,066,583</u>

(d) Prepayment for land

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Tainan branch</u>			
Ren Wu New Hougang West Section No. 20, etc.	\$ 228,635	\$ 228,635	\$ 228,635

E. Disclosure of significant constructions:

(a) As of September 30, 2023, 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)	\$ 5,896,250	\$ 5,627,666	55.55%	\$ 149,198
Jincheng Interchange Project	2,590,476	2,460,952	0.05%	65
Urban renewal construction on Zhengguang Road in Taoyuan	2,252,381	2,139,762	2.23%	2,511
Chunghwa Telecom-a turnkey project in Nangang	1,955,238	1,955,238	48.37%	-
Beitou Shilin Science and Technology Park	1,333,372	1,266,637	88.83%	59,281
No.3, Zhonglu, Taoyuan City	1,326,778	1,204,814	92.29%	112,561
Urban land consolidation engineering of Bei An commercial district	1,155,617	1,097,832	65.18%	37,664

(b) As of December 31, 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	27.21%	\$ 55,769
Tai She Zhi Shan Yuan - New construction	2,518,640	2,352,409	97.91%	162,757
Construction of T.S. Landmark Plaza (\$1.2 billion)	1,962,547	1,937,366	100.00%	25,181
Chunghwa Telecom-a turnkey project in Nangang	1,955,238	1,935,686	31.88%	6,233
Tainan Metropolitan Expressway	1,720,906	1,599,880	97.67%	118,206
Beitou Shilin Science and Technology Park	1,277,212	1,213,347	76.67%	48,965
No.3, Zhonglu, Taoyuan City	1,326,778	1,204,814	90.03%	109,804
Urban land consolidation engineering of Bei An commercial district	1,051,411	998,834	34.16%	17,960
Construction of T.S. Landmark Plaza (\$0.8 billion)	1,013,032	984,315	98.86%	28,390

(c) 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

(7) Investments accounted for under the equity method

Name of associates	September 30, 2023		December 31, 2022		September 30, 2022	
	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Geng-Ding Co., Ltd.	\$ 313,223	30.00%	\$ 313,882	30.00%	\$ 309,411	30.00%
Uni-President Development Corp.	1,156,279	30.00%	1,167,581	30.00%	1,151,759	30.00%
PPG Investment Inc.	25,346	27.30%	20,799	27.30%	25,286	27.30%
Queen Holdings Ltd.	406,422	27.30%	405,030	27.30%	399,128	27.30%
Amida Truslink Assets Management Co., Ltd. (Note)	-	45.21%	-	45.21%	-	45.21%
	<u>\$ 1,901,270</u>		<u>\$ 1,907,292</u>		<u>\$ 1,885,584</u>	

Note : As of September 30, 2023, December 31, 2022 and September 30, 2022, 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 \$140,408, \$140,408 and \$140,095, 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, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 216,433	\$ 61,759	\$ 207,432
Non-current assets	6,540,617	6,769,627	6,849,371
Current liabilities	(1,852,338)	(2,295,832)	(2,511,955)
Non-current liabilities	(1,050,450)	(643,617)	(705,650)
Total net assets	<u>\$ 3,854,262</u>	<u>\$ 3,891,937</u>	<u>\$ 3,839,198</u>
Share in associate's net assets	<u>\$ 1,156,279</u>	<u>\$ 1,167,581</u>	<u>\$ 1,151,759</u>

Statements of comprehensive income

	Uni-President Development Corp.	
	Three months ended September 30,	
	2023	2022
Revenue	<u>\$ 232,483</u>	<u>\$ 233,051</u>
Profit for the period from continuing operations	<u>\$ 43,996</u>	<u>\$ 48,623</u>
Total comprehensive income	<u>\$ 43,996</u>	<u>\$ 48,623</u>
Dividends received from associates	<u>\$ 51,516</u>	<u>\$ 26,028</u>

	<u>Uni-President Development Corp.</u>	
	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue	\$ 694,418	\$ 691,787
Profit for the period from continuing operations	\$ 134,044	\$ 138,188
Total comprehensive income	\$ 134,044	\$ 138,188
Dividends received from associates	\$ 51,516	\$ 26,028

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, 2023, December 31, 2022 and September 30, 2022, the carrying amount of the Group's individually immaterial associates amounted to \$604,583, \$599,303 and \$593,730, respectively.

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Profit for the period from continuing operations	\$ 55,551	\$ 102,823
Other comprehensive loss, net of tax	-	-
Total comprehensive income	\$ 55,551	\$ 102,823

	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Profit for the period from continuing operations	\$ 151,698	\$ 136,133
Other comprehensive income, net of tax	-	-
Total comprehensive income	\$ 151,698	\$ 136,133

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, 2023 and 2022, the Group recognised share of profit of associates and joint venture accounted for using equity method of \$29,045, \$44,288, \$82,979 and \$80,193 and the investments as at September 30, 2023 and 2022, totalled \$1,760,862 and \$1,745,489, respectively. The disclosures in relation to certain investments accounted for using the equity method as at December 31, 2022, 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, 2022 was \$599,303.

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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Land	\$ 2,848,344	\$ 2,848,606	\$ 2,848,606
Buildings and structures	2,227,856	2,305,448	2,331,138
Machinery and equipment	944	1,091	1,248
Computer and communication equipment	12,806	4,600	4,908
Transportation equipment	489	680	743
Office equipment	198,916	197,596	198,690
Leasehold improvements	93,698	95,095	98,474
Other equipment	52,140	49,856	50,395
Construction in progress and equipment under acceptance	8,969	11,154	4,557
	<u>\$ 5,444,162</u>	<u>\$ 5,514,126</u>	<u>\$ 5,538,759</u>

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

<u>Cost</u>	<u>Nine months ended September 30, 2023</u>				<u>Closing net book amount</u>
	<u>Opening net book amount</u>	<u>Additions</u>	<u>Decrease</u>	<u>Transfers</u>	
Land					
Assets used by the Group	\$ 1,436,995	\$ -	\$ -	(\$ 262)	\$ 1,436,733
Assets subject to operating leases	1,411,611	-	-	-	1,411,611
Buildings and structures					
Assets used by the Group	1,915,408	3,669	(1,652)	(2,087)	1,915,338
Assets subject to operating leases	1,863,393	-	(31,959)	-	1,831,434
Machinery and equipment	16,566	252	(2,699)	-	14,119
Computer and communication equipment	64,606	2,170	(9,316)	7,330	64,790
Transportation equipment	1,974	-	(61)	-	1,913
Office equipment	884,500	28,865	(43,964)	8,549	877,950
Leasehold improvements	844,426	13,735	(190)	-	857,971
Other equipment	107,630	6,952	(14,710)	(1,488)	98,384
Construction in progress and equipment under acceptance	11,154	8,179	-	(10,364)	8,969
	<u>\$ 8,558,263</u>	<u>\$ 63,822</u>	<u>(\$ 104,551)</u>	<u>\$ 1,678</u>	<u>\$ 8,519,212</u>

Cost	Nine months ended September 30, 2022				
	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Land					
Assets used by the Group	\$ 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 Group	1,915,605	150	(1,572)	-	1,914,183
Assets subject to operating leases	1,863,393	-	-	-	1,863,393
Machinery and equipment					
Computer and communication 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 prepayments for equipment					
	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>

Accumulated depreciation	Nine months ended September 30, 2023				
	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Buildings and structures					
Assets used by the Group	\$ 706,875	\$ 34,442	(\$ 1,652)	(\$ 958)	\$ 738,707
Assets subject to operating leases	766,478	45,690	(31,959)	-	780,209
Machinery and equipment					
Computer and communication equipment	15,475	353	(2,653)	-	13,175
Computer and communication equipment	60,006	1,294	(9,316)	-	51,984
Transportation equipment	1,294	191	(61)	-	1,424
Office equipment	686,904	35,754	(43,624)	-	679,034
Leasehold improvements	749,331	15,120	(178)	-	764,273
Other equipment	57,774	2,014	(13,544)	-	46,244
	<u>\$ 3,044,137</u>	<u>\$ 134,858</u>	<u>(\$ 102,987)</u>	<u>(\$ 958)</u>	<u>\$ 3,075,050</u>

Accumulated depreciation	Nine months ended September 30, 2022				
	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Buildings and structures					
Assets used by the Group	\$ 662,717	\$ 33,896	(\$ 775)	\$ -	\$ 695,838
Assets subject to operating leases	702,966	47,634	-	-	750,600
Machinery and equipment					
Computer and communication 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	54,386	2,669	(11)	-	57,044
	<u>\$ 2,881,854</u>	<u>\$ 143,178</u>	<u>(\$ 20,903)</u>	<u>\$ -</u>	<u>\$ 3,004,129</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:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Land	\$ 8,978	\$ 10,844	\$ 11,466
Buildings and structures	6,017,064	6,251,954	6,339,445
Transportation equipment (business vehicles)	<u>3,471</u>	<u>653</u>	<u>764</u>
	<u>\$ 6,029,513</u>	<u>\$ 6,263,451</u>	<u>\$ 6,351,675</u>
		<u>Three months ended September 30,</u>	
		<u>2023</u>	<u>2022</u>
		<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land		\$ 622	\$ 622
Buildings and structures		119,941	120,096
Transportation equipment (business vehicles)		<u>365</u>	<u>163</u>
		<u>\$ 120,928</u>	<u>\$ 120,881</u>
		<u>Nine months ended September 30,</u>	
		<u>2023</u>	<u>2022</u>
		<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land		\$ 1,866	\$ 1,866
Buildings and structures		361,089	360,404
Transportation equipment (business vehicles)		<u>686</u>	<u>538</u>
		<u>\$ 363,641</u>	<u>\$ 362,808</u>

C. For the three months and nine months ended September 30, 2023 and 2022, the additions to right-of-use assets and lease liabilities were \$882, \$4,419, \$133,028 and \$7,401, respectively.

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

	Three months ended September 30,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 28,670	\$ 29,683
Expense on short-term lease contracts	113	1,093
Expense on leases of low-value assets	237	195
Profit from lease modification	4	21

	Nine months ended September 30,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 86,571	\$ 90,418
Expense on short-term lease contracts	1,881	3,011
Expense on leases of low-value assets	680	977
Profit from lease modification	18	47

E. For the three months and nine months ended September 30, 2023 and 2022, the Group's total cash outflow for leases amounted to \$146,377, \$146,632, \$431,215 and \$430,666, 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 1.87% 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 9.70%.

G. Extension and termination options

(a) Extension options are included in approximately 93% 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 and \$1,670 by increasing other income for the three months and nine months ended September 30, 2022, respectively. There was no such situation in 2023.

(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, 2023 and 2022 are as follows:

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Rent income	<u>\$ 120,646</u>	<u>\$ 116,740</u>
Rent income arising from variable lease payments	<u>\$ 18,197</u>	<u>\$ 19,080</u>
	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Rent income	<u>\$ 360,193</u>	<u>\$ 358,052</u>
Rent income arising from variable lease payments	<u>\$ 55,222</u>	<u>\$ 46,752</u>

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

	<u>September 30, 2023</u>
October 1, 2023 to September 30, 2024	\$ 336,089
October 1, 2024 to September 30, 2028	529,703
After October 1, 2028	<u>91,355</u>
	<u>\$ 957,147</u>
	<u>September 30, 2022</u>
October 1, 2022 to September 30, 2023	\$ 373,100
October 1, 2023 to September 30, 2027	410,564
After October 1, 2027	<u>66,832</u>
	<u>\$ 850,496</u>

(11) Investment property

A. Details of book values are as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Land	\$ 207,077	\$ 207,077	\$ 207,077
Leased assets-land	2,598,867	2,597,386	2,597,386
Leased assets-buildings	<u>2,542,457</u>	<u>2,595,181</u>	<u>2,616,610</u>
	<u>\$ 5,348,401</u>	<u>\$ 5,399,644</u>	<u>\$ 5,421,073</u>

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

	<u>Nine months ended September 30, 2023</u>				
<u>Cost</u>	<u>Opening net book amount</u>	<u>Additions</u>	<u>Decrease</u>	<u>Transfers</u>	<u>Closing net book amount</u>
Land	\$ 207,077	\$ -	\$ -	\$ -	\$ 207,077
Leased assets - land	2,597,386	-	-	1,481	2,598,867
Leased assets - buildings	<u>3,947,476</u>	<u>-</u>	<u>(1,180)</u>	<u>12,278</u>	<u>3,958,574</u>
	<u>\$ 6,751,939</u>	<u>\$ -</u>	<u>(\$ 1,180)</u>	<u>\$ 13,759</u>	<u>\$ 6,764,518</u>

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

	<u>Nine months ended September 30, 2023</u>				
<u>Accumulated depreciation</u>	<u>Opening net book amount</u>	<u>Additions</u>	<u>Decrease</u>	<u>Transfers</u>	<u>Closing net book amount</u>
Leased assets - buildings	\$ 1,352,295	\$ 64,044	(\$ 1,180)	\$ 958	\$ 1,416,117

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

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

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Rental revenue from the lease of the investment property	<u>\$ 123,613</u>	<u>\$ 117,512</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 43,739</u>	<u>\$ 40,963</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ -</u>	<u>\$ -</u>
	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Rental revenue from the lease of the investment property	<u>\$ 365,526</u>	<u>\$ 352,133</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 123,433</u>	<u>\$ 115,807</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ -</u>	<u>\$ -</u>

D. As of September 30, 2023, December 31, 2022 and September 30, 2022, the fair value of the investment property held by the Group was \$12,482,603, \$12,512,142 and \$12,466,243, 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:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Service concession	\$ 1,825,730	\$ 1,871,669	\$ 1,886,983
Software	<u>2,263</u>	<u>2,505</u>	<u>2,874</u>
	<u>\$ 1,827,993</u>	<u>\$ 1,874,174</u>	<u>\$ 1,889,857</u>

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

Nine months ended September 30, 2023					
Cost	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Service concession	\$ 2,868,372	\$ -	\$ -	\$ -	\$ 2,868,372
Software	9,333	533	-	-	9,866
	<u>\$ 2,877,705</u>	<u>\$ 533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,878,238</u>

Nine months ended September 30, 2022					
Cost	Opening net book amount	Additions	Decrease	Transfers	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>

Nine months ended September 30, 2023					
Accumulated amortization	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Service concession	\$ 996,703	\$ 45,939	\$ -	\$ -	\$ 1,042,642
Software	6,828	775	-	-	7,603
	<u>\$ 1,003,531</u>	<u>\$ 46,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,050,245</u>

Nine months ended September 30, 2022					
Accumulated amortization	Opening net book amount	Additions	Decrease	Transfers	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>

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

	Three months ended September 30,	
	2023	2022
Operating costs	\$ 15,313	\$ 15,313
General and administrative expenses	197	426
	<u>\$ 15,510</u>	<u>\$ 15,739</u>
	Nine months ended September 30,	
	2023	2022
Operating costs	\$ 45,939	\$ 45,939
General and administrative expenses	775	1,276
	<u>\$ 46,714</u>	<u>\$ 47,215</u>

(13) Short-term borrowings

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Unsecured bank borrowings	\$ 861,000	\$ 1,151,000	\$ 951,000
Secured bank borrowings	-	150,000	150,000
	<u>\$ 861,000</u>	<u>\$ 1,301,000</u>	<u>\$ 1,101,000</u>
Interest rate range	<u>1.95%~2.29%</u>	<u>1.50%~2.16%</u>	<u>1.36%~1.90%</u>

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

(14) Other payables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Salaries and rewards payable	\$ 155,294	\$ 218,008	\$ 139,887
Taxes payable	68,445	49,761	76,042
Employees' compensation payable	58,113	190,643	203,725
Directors' remuneration payable	17,289	55,456	49,119
Advertisement payable	16,511	41,612	46,265
Business tax payable	2,397	14,921	6,030
Others	173,856	208,958	237,461
	<u>\$ 491,905</u>	<u>\$ 779,359</u>	<u>\$ 758,529</u>

(15) Bonds payable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
2018 1st secured ordinary bonds payable	\$ -	\$ 2,500,000	\$ 2,500,000
2022 1st secured ordinary bonds payable	2,000,000	2,000,000	2,000,000
2023 1st secured ordinary bonds payable	<u>2,500,000</u>	<u>-</u>	<u>-</u>
	4,500,000	4,500,000	4,500,000
Less: Current portion	<u>-</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>
	<u>\$ 4,500,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

- A. 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.
- The above corporate bonds had been settled upon maturity.
- B. 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.
- C. The Group issued secured ordinary bonds payable in June 2023. 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: 1.54%
 - (d) Terms of interest repayment: The bonds interest is calculated on simple rate every year starting June 2023 based on the coupon rate.
 - (e) Repayment term: The bonds are repaid upon the maturity of the bonds.
 - (f) Period: 5 years, from June 13, 2023 to June 13, 2028.
 - (g) The way of security: Secured by Bank of Taiwan.
 - (h) Trustee Bank: The bonds are guaranteed by CTBC Bank Co., Ltd.

(16) Long-term borrowings

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Secured bank borrowings	\$ 3,680,000	\$ 3,970,000	\$ 4,050,000
Unsecured bank borrowings	<u>425,000</u>	<u>530,000</u>	<u>540,000</u>
	4,105,000	4,500,000	4,590,000
Less: Current portion	(<u>3,330,000</u>)	(<u>3,380,000</u>)	(<u>510,000</u>)
	<u>\$ 775,000</u>	<u>\$ 1,120,000</u>	<u>\$ 4,080,000</u>
Range of maturity dates	<u>2024.02.01~2027.01.09</u>	<u>2023.07.20~2027.01.09</u>	<u>2023.07.20~2027.01.09</u>
Range of maturity rates	<u>2.12%~2.48%</u>	<u>1.83%~2.38%</u>	<u>1.36%~2.05%</u>

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

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

(17) Provisions - replacement cost

	<u>2023</u>	<u>2022</u>
At January 1	\$ 165,984	\$ 136,504
Additions	33,197	40,342
Used	(<u>20,300</u>)	(<u>17,416</u>)
At September 30	<u>\$ 178,881</u>	<u>\$ 159,430</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).

(18) Pension

A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, 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 Labor Standards Act. 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 and its domestic subsidiaries contribute 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 and its domestic subsidiaries 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 and its domestic subsidiaries will make contributions to cover the deficit by next March.

- (b) For the aforementioned pension plan, the Group recognised pension costs of \$133, \$174, \$399 and \$521 for the three months and nine months ended September 30, 2023 and 2022, respectively.
 - (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$2,834.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have 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 and its domestic subsidiaries contribute 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 Group for the three months and nine months ended September 30, 2023 and 2022 were \$14,758, \$14,604, \$43,908 and \$42,850, respectively.

(19) Share capital

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

(Units: in thousand shares)

	2023	2022
Shares at January 1 and September 30	1,622,671	1,622,671

- B. As of September 30, 2023, 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, 2023, December 31, 2022 and September 30, 2022, 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\$10.70, NT\$10.50 and NT\$11.15 per share, respectively.

(20) 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.

2023	Capital surplus			
	Share premium	Treasury share transaction	Others	Total
At January 1 / At September 30	\$ 1,375,442	\$ 877,839	\$ 7,232	\$ 2,260,513

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

(21) 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. On June 17, 2022, the stockholders resolved that total cash dividends for the distribution of earnings for the year of 2021 was \$811,663 at NT\$0.5 (in dollars) per share. On June 20, 2023, the stockholders resolved that total cash dividends for the distribution of earnings for the year of 2022 was \$811,663 at NT\$0.5 (in dollars) per share.

(22) Other equity items

	Unrealised gains on valuation	Currency translation	Total
At January 1, 2023	\$ 1,184,333	(\$ 48)	\$ 1,184,285
Revaluation-Group	108,769	-	108,769
At September 30, 2023	<u>\$ 1,293,102</u>	<u>(\$ 48)</u>	<u>\$ 1,293,054</u>

	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	<u>\$ 1,447,333</u>	<u>(\$ 48)</u>	<u>\$ 1,447,285</u>

(23) 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, 2023</u>			
Assets			
Accounts receivable, net (including related parties)	\$ 352,703	\$ 103,071	\$ 455,774
Contract assets	13,346	500,581	513,927
Inventories	870,786	5,776,910	6,647,696
	<u>\$ 1,236,835</u>	<u>\$ 6,380,562</u>	<u>\$ 7,617,397</u>
Liabilities			
Contract liabilities	\$ 40,007	\$ 247,767	\$ 287,774
Accounts payable	326,156	581,081	907,237
Long-term notes and accounts payable	-	11,456	11,456
	<u>\$ 366,163</u>	<u>\$ 840,304</u>	<u>\$ 1,206,467</u>

	<u>Within 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
<u>December 31, 2022</u>			
Assets			
Accounts receivable, net (including related parties)	\$ 472,622	\$ 185,949	\$ 658,571
Contract assets	112,261	398,922	511,183
Inventories	967,056	5,853,768	6,820,824
	<u>\$ 1,551,939</u>	<u>\$ 6,438,639</u>	<u>\$ 7,990,578</u>
Liabilities			
Contract liabilities	\$ 37,349	\$ 372,421	\$ 409,770
Accounts payable	656,101	699,625	1,355,726
Long-term notes and accounts payable	-	11,456	11,456
	<u>\$ 693,450</u>	<u>\$ 1,083,502</u>	<u>\$ 1,776,952</u>

	<u>Within 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
<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	937,799	5,970,974	6,908,773
	<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>

(24) Operating revenue

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	\$ 1,816,860	\$ 1,922,260
Other - rental revenue	138,843	135,820
	<u>\$ 1,955,703</u>	<u>\$ 2,058,080</u>
	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	\$ 5,851,660	\$ 10,006,990
Other - rental revenue	415,415	404,804
	<u>\$ 6,267,075</u>	<u>\$ 10,411,794</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:

<u>Three months ended</u> <u>September 30, 2023</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	\$ 127,325	\$ 882,014	\$ 650,600	\$ 73,037	\$ 83,884	\$ 1,816,860
Timing of revenue recognition						
At a point in time	\$ 127,325	\$ -	\$ 256,586	\$ -	\$ -	\$ 383,911
Over time	-	882,014	394,014	73,037	83,884	1,432,949
	<u>\$ 127,325</u>	<u>\$ 882,014</u>	<u>\$ 650,600</u>	<u>\$ 73,037</u>	<u>\$ 83,884</u>	<u>\$ 1,816,860</u>
<u>Three 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	\$ 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>Nine months ended</u> <u>September 30, 2023</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	\$ 229,946	\$ 3,220,073	\$ 1,939,120	\$ 210,334	\$ 252,187	\$ 5,851,660
Timing of revenue recognition						
At a point in time	\$ 229,946	\$ -	\$ 689,349	\$ -	\$ -	\$ 919,295
Over time	-	3,220,073	1,249,771	210,334	252,187	4,932,365
	<u>\$ 229,946</u>	<u>\$ 3,220,073</u>	<u>\$ 1,939,120</u>	<u>\$ 210,334</u>	<u>\$ 252,187</u>	<u>\$ 5,851,660</u>
<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
	<u>\$ 6,798,668</u>	<u>\$ 1,689,568</u>	<u>\$ 1,053,854</u>	<u>\$ 208,208</u>	<u>\$ 256,692</u>	<u>\$ 10,006,990</u>

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, 2023, December 31, 2022 and September 30, 2022 are as follows:

	<u>Year expected to recognise revenue</u>	<u>Contracted amount</u>
September 30, 2023	2023~2027	\$ 9,075,324
December 31, 2022	2023~2024	5,834,246
September 30, 2022	2022~2024	6,979,047

C. Contract assets and liabilities

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>	<u>January 1, 2022</u>
Contract assets:				
Contract assets - construction contracts	\$ 513,927	\$ 511,183	\$ 393,000	\$ 506,427
Contract liabilities:				
Contract liabilities	\$ 40,007	\$ 37,349	\$ 49,175	\$ 1,032,712
- buildings and land sales contracts				
Contract liabilities - construction contracts	247,767	372,421	278,099	95,588
Contract liabilities - Hotel operation contracts	146,337	151,434	130,321	152,748
Contract liabilities - BOT business	80,486	61,504	79,024	61,285
	<u>\$ 514,597</u>	<u>\$ 622,708</u>	<u>\$ 536,619</u>	<u>\$ 1,342,333</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>2023</u>	<u>2022</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Building and land sales contracts	\$ 1,030	\$ 8,995
Hotel operation contracts	-	5
	<u>\$ 1,030</u>	<u>\$ 9,000</u>
<u>Nine months ended September 30,</u>		
	<u>2023</u>	<u>2022</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Building and land sales contracts	\$ 37,349	\$ 708,680
Construction contracts	372,421	95,588
Hotel operation contracts	150,985	152,304
BOT business	61,504	61,285
	<u>\$ 622,259</u>	<u>\$ 1,017,857</u>

(25) Interest income

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	\$ 3,110	\$ 1,374
Interest income from bonds and notes sold under repurchase agreement	8,977	1,550
Other interest income	325	267
	<u>\$ 12,412</u>	<u>\$ 3,191</u>

	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	\$ 19,032	\$ 5,919
Interest income from bonds and notes sold under repurchase agreement	25,472	2,521
Other interest income	1,581	269
	<u>\$ 46,085</u>	<u>\$ 8,709</u>

(26) Other income

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Dividend income	\$ 32,084	\$ 68,099
Government grant revenue	5	-
Payables transferred to other income	22,444	14,099
Other income	16,017	16,527
	<u>\$ 70,550</u>	<u>\$ 98,725</u>

	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Dividend income	\$ 75,267	\$ 215,755
Government grant revenue	56	1,822
Payables transferred to other income	73,304	95,229
Income from guarantee deposits forfeited due to a breach of contract	6,000	-
Insurance claim income	1,263	-
Income from rent concessions (Note)	-	1,670
Other income	43,949	42,468
	<u>\$ 199,839</u>	<u>\$ 356,944</u>

Note : Due to the impact of COVID-19 pandemic, the Group recognised rent concession income for the three months and nine months ended September 30, 2023 and 2022. Refer to Note 6(9) for details.

(27) Other gains and losses

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Net losses on financial assets at fair value through profit or loss	(\$ 4,086)	(\$ 81,816)
Losses on disposals of property, plant and equipment	(681)	(1,331)
Others	(360)	1,271
	<u>(\$ 5,127)</u>	<u>(\$ 81,876)</u>

	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Net gains (losses) on financial assets at fair value through profit or loss	\$ 19,269	(\$ 644,312)
(Losses) gains on disposals of property, plant and equipment	(1,559)	27,195
Others	(57)	(1,206)
	<u>\$ 17,653</u>	<u>(\$ 618,323)</u>

(28) Finance costs

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Interest expense:		
Bank borrowings	\$ 31,609	\$ 30,986
Lease liability	28,670	29,683
Commercial paper	-	31
Corporate bond	29,768	24,910
Others	388	104
Other finance expenses	<u>300</u>	<u>300</u>
	90,735	86,014
Less : Capitalization of qualifying assets	(800)	(455)
	<u>\$ 89,935</u>	<u>\$ 85,559</u>

	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Interest expense:		
Bank borrowings	\$ 91,973	\$ 87,280
Lease liability	86,571	90,418
Commercial paper	15	410
Corporate bond	80,253	69,266
Others	2,370	1,217
Other finance expenses	<u>900</u>	<u>900</u>
	262,082	249,491
Less : Capitalization of qualifying assets	(2,249)	(1,431)
	<u>\$ 259,833</u>	<u>\$ 248,060</u>

(29) Expenses by nature

	Three months ended September 30, 2023		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 151,125	\$ 129,580	\$ 280,705
Labor and health insurance fees	15,859	15,183	31,042
Pension costs	7,526	7,365	14,891
Directors' remuneration	-	5,827	5,827
Other employee benefit expense	13,707	2,705	16,412
	<u>\$ 188,217</u>	<u>\$ 160,660</u>	<u>\$ 348,877</u>
Depreciation charges	<u>\$ 21,313</u>	<u>\$ 165,641</u>	<u>\$ 186,954</u>
Amortization charges	<u>\$ 15,313</u>	<u>\$ 197</u>	<u>\$ 15,510</u>
	Three months ended September 30, 2022		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
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
	<u>\$ 174,208</u>	<u>\$ 161,911</u>	<u>\$ 336,119</u>
Depreciation charges	<u>\$ 21,288</u>	<u>\$ 167,919</u>	<u>\$ 189,207</u>
Amortization charges	<u>\$ 15,313</u>	<u>\$ 426</u>	<u>\$ 15,739</u>
	Nine months ended September 30, 2023		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 460,532	\$ 390,696	\$ 851,228
Labor and health insurance fees	49,312	46,312	95,624
Pension costs	22,635	21,672	44,307
Directors' remuneration	-	21,475	21,475
Other employee benefit expense	45,367	14,498	59,865
	<u>\$ 577,846</u>	<u>\$ 494,653</u>	<u>\$ 1,072,499</u>
Depreciation charges	<u>\$ 64,044</u>	<u>\$ 498,499</u>	<u>\$ 562,543</u>
Amortization charges	<u>\$ 45,939</u>	<u>\$ 775</u>	<u>\$ 46,714</u>

	Nine months ended September 30, 2022		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
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>

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, 2023 and 2022, employees' compensation was accrued at \$10,884, \$30,392, \$44,981 and \$198,993, respectively; while directors' remuneration was accrued at \$3,443, \$7,640, \$15,043 and \$47,947, 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, 2023.

Employees' compensation and directors' remuneration of 2022 as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2022 financial statements. The employees' compensation will be distributed in the form of cash. Certain employees' compensation of 2022 has not yet been distributed.

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.

(30) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended September 30,	
	2023	2022
Current tax:		
Current tax on profits for the period	\$ 12,374	\$ 34,973
Land value increment tax recognised in income tax for the period	478	4,459
Total current tax	<u>12,852</u>	<u>39,432</u>
Deferred tax:		
Origination and reversal of temporary differences	5,711	25
Loss carryforward	-	(15,923)
Total deferred tax	<u>5,711</u>	<u>(15,898)</u>
Income tax expense	<u>\$ 18,563</u>	<u>\$ 23,534</u>
	Nine months ended September 30,	
	2023	2022
Current tax:		
Current tax on profits for the period	\$ 44,259	\$ 303,078
Tax on undistributed surplus earnings	26,576	28,900
Prior year income tax underestimation	3,485	955
Land value increment tax recognised in income tax for the period	914	34,038
Total current tax	<u>75,234</u>	<u>366,971</u>
Deferred tax:		
Origination and reversal of temporary differences	25,161	(19,450)
Loss carryforward	-	(61,964)
Total deferred tax	<u>25,161</u>	<u>(81,414)</u>
Income tax expense	<u>\$ 100,395</u>	<u>\$ 285,557</u>

B. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority. The Company does not have any administrative remedy as of the reporting date.

(31) Earnings per share

<u>Three months ended September 30, 2023</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 86,115	1,622,671	\$ 0.05
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 86,115	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,017	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 86,115</u>	<u>1,623,688</u>	<u>\$ 0.05</u>
<u>Three months ended September 30, 2022</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 182,660	1,622,671	\$ 0.11
<u>Diluted earnings per share</u>			
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	<u>\$ 182,660</u>	<u>1,625,397</u>	<u>\$ 0.11</u>

Nine months ended September 30, 2023			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 385,760	1,622,671	\$ 0.24
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 385,760	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	8,142	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 385,760	1,630,813	\$ 0.24
Nine months ended September 30, 2022			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,057,450	1,622,671	\$ 0.65
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,057,450	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	20,095	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,057,450	1,642,766	\$ 0.64

(32) Supplemental cash flow information

Investing activities with no cash flow effects:

	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
1. Buildings and land held for sale transferred to investment properties	<u>\$ 11,410</u>	<u>\$ -</u>
2. Prepayment for equipment (shown as 'other non-current assets-others') transferred to property, plant and equipment	<u>\$ 5,438</u>	<u>\$ -</u>
3. Payments transferred to property, plant and equipment	<u>\$ 96</u>	<u>\$ -</u>
4. Bonds payable and long-term borrowings transferred to long-term liabilities, current portion	<u>\$ 3,330,000</u>	<u>\$ 3,010,000</u>

(33) Changes in liabilities from financing activities

	<u>January 1, 2023</u>	Changes in cash	Changes in other	<u>September 30, 2023</u>
		flow from financing	non-cash items	
		<u>activities</u>	<u>non-cash items</u>	
Short-term borrowings	\$ 1,301,000	(\$ 440,000)	\$ -	\$ 861,000
Bonds payable	4,500,000	-	-	4,500,000
Long-term borrowings	4,500,000	(395,000)	-	4,105,000
Long-term notes and accounts payable	808,301	-	-	808,301
Guarantee deposits received	164,977	4,876	-	169,853
Lease liability	7,007,236	(342,083)	129,685	6,794,838
Liabilities from financing activities - gross	<u>\$ 18,281,514</u>	<u>(\$ 1,172,207)</u>	<u>\$ 129,685</u>	<u>\$ 17,238,992</u>

	<u>January 1, 2022</u>	Changes in cash	Changes in other	<u>September 30, 2022</u>
		flow from financing	non-cash items	
		<u>activities</u>	<u>non-cash items</u>	
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>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship with the Group

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Uni-President Development Corp. (Uni-President Development)	Associate
Amida Trustlink Assets Management Co., Ltd. (Amida Trustlink Assets)	Associate
Uni-President Enterprises Corp. (Uni-President Enterprises)	Other related party
President International Development Corp. (President International Development)	Other related party
Tone Sang Construction Corp. (Tone Sang)	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
Man-Strong International Human Resources Recruitment Co., Ltd. (Man-Strong International)	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
Uni-President Department Store Corp. (Uni-President Department Store)	Other related party
President Transnet Corp. (President Transnet)	Other related party
Uni-President Vender Corp. (Uni-President Vender)	Other related party
President Pharmaceutical Corporation (President Pharmaceutical)	Other related party

Names of related parties	Relationship with the Group
President Drugstore Business Corporation (President Drugstore Business)	Other related party
Mister Donut Taiwan Co., Ltd. (Mister Donut Taiwan)	Other related party
Uni-President Organics Corp. (Uni-President Organics)	Other related party
President Being Corp. (President Being)	Other related party
Mech-President Co., Ltd. (Mech-President)	Other related party
Uni-President Dream Parks Co. (Uni-President Dream)	Other related party
Uni-President Cold Chain Corp. (Uni-President Cold Chain)	Other related party
Uni-Wonder Corporation (Uni-Wonder)	Other related party
President Nisshin Corp. (President Nisshin)	Other related party
Tong-Yo Co., Ltd. (Tong-Yo)	Other related party
Duskin Serve Taiwan Co., Ltd. (Duskin Serve Taiwan)	Other related party
Qware Systems & Services Corporation (Qware Systems & Services)	Other related party
21 Century Co., Ltd. (21 Century)	Other related party

(2) Significant related party transactions and balances

A. Sales of goods:

(a)

	Three months ended September 30,	
	2023	2022
Construction subcontracting:		
— Uni-President Express	\$ 614,675	\$ 144,900
— Other related parties	12,112	22,028
	<u>\$ 626,787</u>	<u>\$ 166,928</u>
	Nine months ended September 30,	
	2023	2022
Construction subcontracting:		
— Uni-President Express	\$ 2,050,754	\$ 403,200
— Other related parties	31,391	38,263
	<u>\$ 2,082,145</u>	<u>\$ 441,463</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, 2023, December 31, 2022 and September 30, 2022, the status of the construction for the related parties undertaken by the Group was as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Uni-President Express:			
Total amount of construction contracts that were signed but had not been settled yet	\$ 5,896,250	\$ 4,500,000	\$ 4,500,000
Construction payments received	(3,395,180)	(1,495,636)	(705,161)
Construction payments receivable	<u>\$ 2,501,070</u>	<u>\$ 3,004,364</u>	<u>\$ 3,794,839</u>
President Chain Store:			
Total amount of construction contracts that were signed but had not been settled yet	\$ 698,000	\$ -	\$ -
Construction payments received	-	-	-
Construction payments receivable	<u>\$ 698,000</u>	<u>\$ -</u>	<u>\$ -</u>
Other related parties:			
Total amount of construction contracts that were signed but had not been settled yet	\$ 79,809	\$ 59,341	\$ 59,341
Construction payments received	(72,484)	(47,180)	(19,382)
Construction payments receivable	<u>\$ 7,325</u>	<u>\$ 12,161</u>	<u>\$ 39,959</u>

(b)

	Three months ended September 30,	
	2023	2022
Rental income:		
— President Chain Store	\$ 13,746	\$ 13,768
— Other related parties	12,226	4,129
	<u>\$ 25,972</u>	<u>\$ 17,897</u>
	Nine months ended September 30,	
	2023	2022
Rental income:		
— President Chain Store	\$ 41,340	\$ 40,614
— Other related parties	29,580	12,379
	<u>\$ 70,920</u>	<u>\$ 52,993</u>

Rent is determined by mutual agreements and is collected monthly.

(c)

	Three months ended September 30,	
	2023	2022
Hospitality service income:		
— Other related parties	<u>\$ 3,528</u>	<u>\$ 3,218</u>
	Nine months ended September 30,	
	2023	2022
Hospitality service income:		
— Other related parties	<u>\$ 8,847</u>	<u>\$ 5,737</u>

B. Purchases and expenses

(a)

	Three months ended September 30,	
	2023	2022
Construction subcontracting		
— Other related parties	<u>\$ 116</u>	<u>\$ -</u>
Purchases of services		
— Other related parties	<u>\$ 792</u>	<u>\$ 1,250</u>
Purchases of goods		
— Other related parties	<u>\$ 6,986</u>	<u>\$ 4,139</u>

	Nine months ended September 30,	
	2023	2022
Construction subcontracting		
— Other related parties	\$ 342	\$ -
Purchases of services		
— Other related parties	\$ 2,956	\$ 3,275
Purchases of goods		
— Other related parties	\$ 19,474	\$ 9,741

The abovementioned transaction prices and payment terms are based on the mutual agreements.

(b) Information system/management service expense (shown as general and administrative expenses)

	Three months ended September 30,	
	2023	2022
Other related parties	\$ 613	\$ 723

	Nine months ended September 30,	
	2023	2022
Other related parties	\$ 2,861	\$ 3,496

C. Accounts receivable

	September 30, 2023	December 31, 2022	September 30, 2022
Uni-President Express	\$ 233,756	\$ 337,346	\$ 132,911
Other related parties	2,588	4,496	6,240
	<u>\$ 236,344</u>	<u>\$ 341,842</u>	<u>\$ 139,151</u>

D. Accounts payable

	September 30, 2023	December 31, 2022	September 30, 2022
Other related parties	\$ 569	\$ 789	\$ 1,144

E. Property transactions:

Acquisition of property, plant and equipment:

	Three months ended September 30,	
	2023	2022
Other related parties	\$ -	\$ -
	Nine months ended September 30,	
	2023	2022
Other related parties	\$ 7,897	\$ -

F. Contract assets and liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Contract assets:			
Kao Chyuan Investment Co., Ltd.	\$ <u>6,363</u>	\$ <u>10,928</u>	\$ <u>36,173</u>
Contract liabilities:			
Uni-President Express	\$ 118,399	\$ 271,178	\$ 91,365
Other related parties	<u>723</u>	<u>723</u>	<u>723</u>
	<u>\$ 119,122</u>	<u>\$ 271,901</u>	<u>\$ 92,088</u>

G. 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 a related party, 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. The aforementioned leases were renewed in March 2023. These leases have terms expiring between April 2023 and April 2028.
- (b) Acquisition of right-of-use assets:

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
President International Development	\$ <u>-</u>	\$ <u>-</u>
	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
President International Development	\$ <u>123,435</u>	\$ <u>-</u>

(c) Lease liabilities

i. Outstanding balance:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Lease liabilities - current:			
Uni-President Development	\$ 344,289	\$ 339,956	\$ 337,803
President International Development	<u>23,830</u>	<u>7,480</u>	<u>13,853</u>
	<u>\$ 368,119</u>	<u>\$ 347,436</u>	<u>\$ 351,656</u>

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Lease liabilities			
- non-current:			
Uni-President			
Development	\$ 4,440,010	\$ 4,698,727	\$ 4,784,309
President International			
Development	88,858	-	-
	<u>\$ 4,528,868</u>	<u>\$ 4,698,727</u>	<u>\$ 4,784,309</u>

ii. Interest expense:

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Uni-President Development	\$ 18,397	\$ 19,675
President International Development	665	100
	<u>\$ 19,062</u>	<u>\$ 19,775</u>
	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Uni-President Development	\$ 56,159	\$ 59,970
President International Development	1,272	404
	<u>\$ 57,431</u>	<u>\$ 60,374</u>

H. Others:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Refundable deposits:			
Uni-President Development	<u>\$ 69,219</u>	<u>\$ 68,641</u>	<u>\$ 68,526</u>

I. 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,	
	2023	2022
Short-term employee benefits	\$ 4,989	\$ 6,058
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	<u>\$ 4,989</u>	<u>\$ 6,058</u>
	Nine months ended September 30,	
	2023	2022
Short-term employee benefits	\$ 47,229	\$ 56,134
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	<u>\$ 47,229</u>	<u>\$ 56,134</u>

8. PLEGDED ASSETS

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

Pledged asset	September 30, 2023	December 31, 2022	September 30, 2022	Purpose
Time deposits, demand deposits and checking deposits (shown as "financial assets at amortised cost")	\$ 601,541	\$ 665,422	\$ 695,399	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	81,027	80,317	80,132	Construction performance guarantees and long-term and short-term borrowings
Land held for construction site	1,256,536	1,256,536	1,256,536	Long-term and short-term borrowings and issuance of short-term notes and bills
Construction in progress	35,838	35,829	35,785	Long-term and short-term borrowings and issuance of short-term notes and bills
Financial assets at fair value through other comprehensive income	1,065,479	1,154,839	1,138,771	Short-term borrowings and issuance of long-term notes and bills
Investments accounted for under equity method	963,566	972,984	959,799	Long-term borrowings and issuance of long-term notes and bills
Land	2,793,467	2,793,467	2,791,875	Construction performance guarantees, long-term and short-term borrowings and issuance of short-term notes and bills
Buildings	1,625,924	1,655,268	1,663,993	Long-term and short-term borrowings and issuance of short-term notes and bills
Investment property	4,631,114	4,685,006	4,702,216	Construction performance guarantees, long-term and short-term borrowings and issuance of short-term notes and bills
	<u>\$ 13,054,492</u>	<u>\$ 13,299,668</u>	<u>\$ 13,324,506</u>	

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, 2023		December 31, 2022		September 30, 2022	
	Total endorsement	Amount	Total endorsement	Amount	Total endorsement	Amount
	amount	drawn	amount	drawn	amount	drawn
The Splendor Hospitality International Co. Ltd.,(Note)	\$ 3,350,000	\$ 3,250,000	\$ 1,775,000	\$ 1,725,000	\$ 1,850,000	\$ 1,750,000

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. The Company's subsidiary, the Splendor Hospitality International Co., Ltd. has been continuing to generate operating losses and its current liabilities were greater than its current assets. However, the Company was committed to provide the endorsement and guarantees for all Splendor Hospitality International Co., Ltd.'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:

	September 30, 2023	December 31, 2022	September 30, 2022
Property, plant and equipment	\$ 15,502	\$ 3,523	\$ 5,926

(3) Operating lease agreement :

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

(4) According to the sale contracts, the Group 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 Group 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, 2023, December 31, 2022 and September 30, 2022, 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, 2023, December 31, 2022 and September 30, 2022, 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) As of September 30, 2023, December 31, 2022 and September 30, 2022, performance guarantee letters issued for construction undertaking, warranty and leases of subsidiary, Ta Chen Construction & Engineering Corp., amounted to \$626,011, \$415,470 and \$426,856, respectively.
- (9) 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.
- (10) 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 10, 2023, the Board of Directors of the Company resolved the followings:

- (1) To operate the Company's finance and maintain the Group's shareholdings, the Company planned to acquire Nantex Industry Co., Ltd.'s stocks from the Company's subsidiary, Ta Chen Construction & Engineering Corp., for a total amount not exceeding \$270,000 (excluding transaction fee) by using the block pair trades through Taiwan Stock Exchange.
- (2) To strengthen its working capital, the subsidiary, Prince Industrial Corp., increased its capital amounting to \$1,200,000, consisting of 120,000 thousand shares, in installments. The Company subscribed to all the shares according to its shareholding ratio.

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 Group adjusts borrowing amount in accordance with construction progress and capital needed for operations.

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 3,030,747	\$ 4,077,864	\$ 6,481,438
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	2,427,063	2,318,365	2,466,666
Financial assets at amortised cost			
Cash and cash equivalents	8,566,159	9,999,828	7,089,042
Financial assets at amortised cost	2,697,733	1,790,238	1,659,632
Notes receivable	57,243	19,372	52,177
Accounts receivable (including related parties)	569,846	787,758	627,398
Other receivables	9,440	4,374	8,174
Refundable deposits	129,582	142,086	122,307
	<u>\$ 17,487,813</u>	<u>\$ 19,139,885</u>	<u>\$ 18,506,834</u>

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 861,000	\$ 1,301,000	\$ 1,101,000
Notes payable	1,112	1,597	944
Accounts payable	1,046,898	1,475,835	1,063,443
Other payables	491,905	779,359	758,529
Bonds payable (including current portion)	4,500,000	4,500,000	4,500,000
Long-term borrowings (including current portion)	4,105,000	4,500,000	4,590,000
Long-term notes and accounts payable	808,301	808,301	808,301
Guarantee deposits received	169,853	164,977	164,448
	<u>\$ 11,984,069</u>	<u>\$ 13,531,069</u>	<u>\$ 12,986,665</u>
Lease liability	<u>\$ 6,794,838</u>	<u>\$ 7,007,236</u>	<u>\$ 7,090,481</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price 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 Group operates internationally and the currencies primarily used are New Taiwan dollars and United States dollars. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations. Management has set up a policy to require the Group entities to manage their foreign exchange risk against their functional currency. The entities are required to manage their entire foreign exchange risk exposure with the Group finance & accounting division. Foreign exchange risk does not have significant impact to the Group.

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, 2023 and 2022 would have increased/decreased by \$303,075 and \$648,144, 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 \$242,706 and \$246,667, 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, 2023 and 2022 would have been \$4,966 and \$5,691 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 a 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, 2023</u>						
Expected loss rate	0.00%	10.00%	25.00%	50.00%	100.00%	
Total book value of accounts receivable	\$ 564,136	\$ 1,974	\$ 2,561	\$ 173	\$ 1,917	\$ 570,761
Total book value of contract assets	\$ 513,927	\$ -	\$ -	\$ -	\$ -	\$ 513,927
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ 915	915
<u>December 31, 2022</u>						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value of accounts receivable	\$ 775,632	\$ 11,272	\$ 564	\$ -	\$ 1,065	\$ 788,533
Total book value of contract assets	\$ 511,183	\$ -	\$ -	\$ -	\$ -	\$ 511,183
Loss allowance	\$ 12	\$ 175	\$ -	\$ -	\$ 588	775
<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

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

	2023		2022	
	Accounts receivable	Contract assets	Accounts receivable	Contract assets
At January 1	\$ 775	\$ -	\$ 264	\$ -
Provision for impairment loss	146	-	39	-
Derecognised	(6)	-	-	-
At September 30	<u>\$ 915</u>	<u>\$ -</u>	<u>\$ 303</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, 2023		
	<u>Within 1 year</u>	<u>Between 1 to 3 years</u>	<u>Over 3 years</u>
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 867,808	\$ -	\$ -
Notes payable	1,112	-	-
Accounts payable	465,817	581,081	-
Other payables	490,583	1,002	320
Lease liability	548,951	1,099,593	5,751,310
Guarantee deposits received	125,660	18,390	25,803
Bonds payable (including current portion)	-	-	4,570,100
Long-term borrowings (including current portion)	3,432,732	788,442	47,686
Long-term notes and accounts payable	-	11,456	796,845
	December 31, 2022		
	<u>Within 1 year</u>	<u>Between 1 to 3 years</u>	<u>Over 3 years</u>
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 1,326,709	\$ -	\$ -
Notes payable	1,597	-	-
Accounts payable	776,210	699,625	-
Other payables	799,039	-	320
Lease liability	554,050	1,093,811	6,250,659
Guarantee deposits received	122,393	13,853	28,731
Bonds payable (including current portion)	2,521,000	-	2,031,600
Long-term borrowings (including current portion)	3,438,878	977,545	181,782
Long-term notes and accounts payable	-	11,456	796,845

	September 30, 2022		
	<u>Within 1 year</u>	<u>Between 1 to 3 years</u>	<u>Over 3 years</u>
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 1,118,089	\$ -	\$ -
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

- 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 and bills 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, 2023, December 31, 2022 and September 30, 2022 are as follows:

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

<u>September 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$3,030,747	\$ -	\$ -	\$3,030,747
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,072,003</u>	<u>-</u>	<u>1,355,060</u>	<u>2,427,063</u>
	<u>\$4,102,750</u>	<u>\$ -</u>	<u>\$1,355,060</u>	<u>\$5,457,810</u>
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$4,077,864	\$ -	\$ -	\$4,077,864
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,028,884</u>	<u>-</u>	<u>1,289,481</u>	<u>2,318,365</u>
	<u>\$5,106,748</u>	<u>\$ -</u>	<u>\$1,289,481</u>	<u>\$6,396,229</u>
<u>September 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
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	<u>892,220</u>	<u>-</u>	<u>1,574,446</u>	<u>2,466,666</u>
	<u>\$7,373,658</u>	<u>\$ -</u>	<u>\$1,574,446</u>	<u>\$8,948,104</u>

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

- i. 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, 2023 and 2022, 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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
	Equity instruments without active market	Equity instruments without active market
At January 1	\$ 1,289,481	\$ 1,485,689
Gain recognised in other comprehensive income (Note)	65,579	93,571
Sold in the period	-	(4,814)
At September 30	<u>\$ 1,355,060</u>	<u>\$ 1,574,446</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, 2023 and 2022, 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 resource 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, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 1,355,060	Market comparable companies	EV / EBITDA	8.98- 9.96	The higher the multiple, the higher the fair value
		Net asset value	Not applicable		Not applicable

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 1,289,481	Market comparable companies	EV / EBITDA	8.98- 9.96	The higher the multiple, the higher the fair value
		Net asset value	Not applicable		Not applicable
	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 multiple, 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, 2023				
				Recognised in other comprehensive income		
		Recognised in profit or loss		Favourable	Unfavourable	
		Favourable	Unfavourable	change	change	
Input	Change	change	change	change	change	
Financial assets						
Equity instruments	1,355,060	±1%	\$ -	\$ -	\$ 13,551 (\$ 13,551)	
		December 31, 2022				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable	Unfavourable	Favourable	Unfavourable	
		change	change	change	change	
Input	Change	change	change	change	change	
Financial assets						
Equity instruments	1,289,481	±1%	\$ -	\$ -	\$ 12,895 (\$ 12,895)	
		September 30, 2022				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable	Unfavourable	Favourable	Unfavourable	
		change	change	change	change	
Input	Change	change	change	change	change	
Financial assets						
Equity instruments	1,574,446	±1%	\$ -	\$ -	\$ 15,744 (\$ 15,744)	

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- 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 4.
- 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: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

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, 2023				
	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	\$ 1,009,339	\$ 797,197	\$ 149,167	\$ -	\$ 1,955,703
Internal operating revenue-net	87	-	15,588	(15,675)	-
Total segment revenue	1,009,426	797,197	164,755		1,955,703
Costs and expenses	(1,092,481)	(680,659)	(115,367)	14,581	(1,873,926)
Segment (loss) income	(83,055)	116,538	49,388		81,777
Interest income	9,205	2,416	791	-	12,412
Other income	67,149	3,293	1,443	(1,335)	70,550
Other gains and losses	(5,001)	(376)	250	-	(5,127)
Finance costs	(44,305)	(45,640)	(39)	49	(89,935)
Share of profit of associates and joint ventures accounted for under the equity method	44,226	-	8,762	(23,943)	29,045
Income from continuing operations before tax	(11,781)	76,231	60,595	-	98,722
Income tax expense	(12,605)	(5,860)	(98)	-	(18,563)
Net (loss) income for the period	<u>(\$ 24,386)</u>	<u>\$ 70,371</u>	<u>\$ 60,497</u>		<u>\$ 80,159</u>
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 (loss) 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 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>

Nine months ended September 30, 2023					
Item	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	\$ 3,450,019	\$ 2,373,599	\$ 443,457	\$ -	\$ 6,267,075
Internal operating revenue-net	250	-	49,319	(49,569)	-
Total segment revenue	3,450,269	2,373,599	492,776		6,267,075
Costs and expenses	(3,627,071)	(1,964,965)	(341,685)	53,476	(5,880,245)
Segment (loss) income	(176,802)	408,634	151,091		386,830
Interest income	31,195	8,285	6,605	-	46,085
Other income	193,289	8,195	4,744	(6,389)	199,839
Other gains and losses	17,965	(607)	295	-	17,653
Finance costs	(123,864)	(135,981)	(108)	120	(259,833)
Share of profit of associates and joint ventures accounted for under the equity method	274,352	-	25,424	(216,797)	82,979
Income from continuing operations before tax	216,135	288,526	188,051		473,553
Income tax expense	(74,855)	(25,337)	(203)	-	(100,395)
Net income for the period	\$ 141,280	\$ 263,189	\$ 187,848		\$ 373,158
Segment assets	\$ 36,803,687	\$ 12,928,590	\$ 1,298,520	(5,277,737)	\$ 45,753,060
Segment liabilities	\$ 9,150,138	\$ 11,567,381	\$ 55,898	(672,496)	\$ 20,100,921
Nine months ended September 30, 2022					
Item	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	\$ 8,488,236	\$ 1,480,289	\$ 443,269	\$ -	\$ 10,411,794
Internal operating revenue-net	240	-	56,487	(56,727)	-
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 (loss) income	1,700,235	(171,133)	160,683		1,732,427
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 (loss) profit of associates and joint ventures accounted for under the equity method	(95,121)	-	18,484	156,830	80,193
Income (loss) from continuing operations before tax	1,223,364	(284,585)	183,378		1,311,890
Income tax (expense) benefit	(347,077)	61,999	(479)	-	(285,557)
Net income (loss) for the period	\$ 876,287	\$ 222,586	\$ 182,899		\$ 1,026,333
Segment assets	\$ 38,640,730	\$ 12,946,671	\$ 995,620	(5,146,179)	\$ 47,436,842
Segment liabilities	\$ 10,191,724	\$ 12,038,522	\$ 51,574	(663,960)	\$ 21,617,860

(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.
Loans to others
Nine months ended September 30, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding	Balance at	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					Nine months ended September 30, 2023	September 30, 2023							Item	Value			
0	Prince Housing & Development Corp.	Prince Industrial Corp.	Other receivables - related parties	Y	\$ 100,000	\$ 100,000	\$ -	2.7	Short-term financing	\$ -	Additional operating capital	\$ -	None	-	\$ 500,000	\$ 10,161,050	Note 2

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

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

Note 2: A. Ceiling on total loans to others: 40% of the Company's net worth.

B. Limit on loans to a single party:

- (a) Nature of the loan is related to business transactions: Limit to a single party is NT\$1.5 billion or the amount of business transactions between the creditor and borrower in the current year.
- (b) Nature of loan is for short-term financing: Limit on loans to a single party is NT\$500 million.

Prince Housing & Development Corp.
Provision of endorsements and guarantees to others
Nine months ended September 30, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

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, 2023	Outstanding endorsement/ guarantee amount at September 30, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	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
0	Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	6	\$ 5,080,525	\$ 3,350,000	\$ 3,350,000	\$ 3,250,000	\$ -	13%	\$ 12,701,313	Y	N	N	Note 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 period (not including subsidiaries, associates and joint ventures)
September 30, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 3

Securities held by	Marketable securities	Name of investee companies	Relationship with the securities issuer	General ledger account	As of September 30, 2023				Footnote	
					Number of shares	Book value	Ownership (%)	Fair value		
Prince Housing & Development Corp.	Stock	Nantex Industry Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	10,694,988	\$ 387,158	Note 1	\$ 36.20	Listed company	
	Stock	ScinoPharm Taiwan, Ltd.	None	Non-current financial assets at fair value through other comprehensive income	23,605,921	649,163	Note 1	27.50	Listed company, Note 2	
	Stock	Simplo Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	76,349	25,577	Note 1	335.00	OTC company	
	Stock	Universal Venture Capital Investment Corp.	None	Non-current financial assets at fair value through other comprehensive income	1,400,000	14,630	Note 1	10.45		
	Stock	Grand Bills Finance Corp.	None	Non-current financial assets at fair value through other comprehensive income	48,672	719	Note 1	14.78		
	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	2,596,336	245,380	Note 1	94.51		
	Stock	President International Development Corp.	Other related party	Non-current financial assets at fair value through other comprehensive income	87,745,770	863,402	6.63%	9.84	Note 3	
	Fund	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss - non-current	6,301,406	81,027	-	12.86	Note 4	
	Fund	Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss -current	56,475,870	915,345	-	16.21		
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss -current	29,597,708	505,934	-	17.09		
	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss -current	43,837,859	563,229	-	12.85		
	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	30,352	-	17.09	
	Ta Chen Construction & Engineering Corp.	Fund	Yuanta De- Bao Money Market Fund	None	Financial assets at fair value through profit or loss -current	4,878,650	60,048	-	12.31	
Stock		Nantex Industry Co., Ltd.	None	Financial assets at fair value through profit or loss - non - current	10,197,483	369,149	Note 1	36.20	Listed company	
Cheng-Shi Construction Co., Ltd.	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	2,371,342	203,738	Note 1	94.51		
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss -current	5,346,491	91,391	-	17.09		
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	6,882	Note 1	10.70	Listed company	
	Stock	Tainan Spinning Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	122,201	2,053	Note 1	14.70	Listed company	
Prince Security & Guard Co., Ltd.	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	316,176	27,191	Note 1	94.51		
Prince Property Management Consulting Co.	Fund	CTBC Hwa-win Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,172,949	24,290	-	11.18		
Times Square International Hotel Corp.	Fund	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,233,585	72,000	-	13.85		
Prince Real Estate Co., Ltd.	Stock	Nantex Industry Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	194,282	7,198	Note 1	36.20	Listed company	
	Stock	Sung Gang Asset Management Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	47,968	854	Note 1	19.05	OTC company	
Prince Industrial Corp.	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss -current	20,833,005	267,662	-	12.85		
	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss -current	3,916,654	50,320	-	12.85		

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

Note 2: 17,276 thousand shares of outstanding common stock were used as collateral for loan.

Note 3: 60,000 thousand shares of outstanding common stock were used as collateral for loan.

Note 4: 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, 2023

Table 4

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, 2023		Addition (Note 3)		Disposal (Note 3)			Balance as at September 30, 2023		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Prince Housing & Development Corp.	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	47,391,936	\$ 795,684	-	\$ -	(17,794,228)	(\$ 302,715)	(\$ 302,552)	\$ 163	29,597,708	\$ 493,132
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)	(352,750)	(350,000)	2,750	-	-

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 NTS\$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 NTS\$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. and Subsidiaries
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
Nine months ended September 30, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Ta Chen Construction & Engineering Corp.	Uni-President Express Corp.	Affiliate	Sales	\$ 2,050,754	33%	Collected based on the terms	Determined after comparison and negotiation between the two parties and collected based on the contract terms	Determined after comparison and negotiation between the two parties and collected based on the contract terms	\$ 233,756	37%	

Prince Housing & Development Corp.
 Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
 September 30, 2023

Table 6

Expressed in thousands of NTD
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2023	Turnover rate	Overdue		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
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 233,756	7.68	-	-	107,631	-

Prince Housing & Development Corp.
 Significant inter-company transactions during the reporting periods
 Nine months ended September 30, 2023

Table 7

Expressed in thousands of NTD
 (Except as otherwise indicated)

Number	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction	
						Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	The Company to the consolidated subsidiaries	Endorsement and guarantee	\$ 3,350,000	In accordance with endorsement and guarantee procedures	7.32%
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	1.26%
0	Prince Housing & Development Corp.	Prince Industrial Corp.	The Company to the consolidated subsidiaries	Loans to others	100,000	In accordance with procedures for provision of loans	0.22%

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 NTS100 million or more.

Prince Housing & Development Corp.
Information on investees
Nine months ended September 30, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 8

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2023			Net profit (loss) of the investee for the nine months ended September 30, 2023	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023	Footnote
				Balance as at September 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Prince Housing & Development Corp.	Cheng-Shi Investment Holdings Co., Ltd.	Taiwan	General investment	\$ 1,146,925	\$ 1,146,925	149,365,000	100.00%	\$ 1,407,871	\$ 84,139	\$ 84,139	Note 2
	Prince Property Management Consulting Co.	Taiwan	Real estate agency and management consulting	181,000	181,000	17,146,580	100.00%	258,200	(9,483)	(9,483)	Note 2
	Geng-Ding Co., Ltd.	Taiwan	Hotels and catering	120,000	120,000	18,000,000	30.00%	313,223	59,130	17,341	-
	Prince Housing Investment Corp.	British Virgin Islands	Overseas investment	140,413	140,413	428	100.00%	664,926	29,409	30,636	Note 2
	Uni-President Development Corp.	Taiwan	Leasing of buildings	1,080,000	1,080,000	108,000,000	30.00%	1,156,279	134,044	40,213	Note 4
	The Splendor Hospitality International Co., Ltd.	Taiwan	Hotels and catering	325,000	325,000	32,500,000	50.00%	247,112	(25,291)	(12,645)	Note 2
	Jin-Yi-Xing Plywood Co., Ltd.	Taiwan	Manufacture of plywoods	165,410	165,410	3,938,168	99.65%	(289,736)	7	7	Note 2
	Prince Industrial Corp.	Taiwan	Development of public housing and building	300,000	300,000	30,000,000	100.00%	298,898	(222)	(222)	Note 2
	Prince Real Estate Co., Ltd.	Taiwan	Real estate trading and leasing	470,784	470,784	12,292,315	99.68%	598,684	13,224	12,657	Notes 1 and 2
Cheng-Shi Investment Holdings Co., Ltd	Times Square International Holding Company	Taiwan	General investment	420,270	420,270	62,100,000	100.00%	866,984	111,709	111,709	Note 2
	Ta Chen Construction & Engineering Corp.	Taiwan	Construction	856,566	856,566	122,616,762	100.00%	1,228,353	83,883	-	Notes 2 and 3
	Prince Utility Co., Ltd.	Taiwan	Electricity water pipe	56,025	56,025	3,070,000	100.00%	31,693	(5,933)	-	Notes 2 and 3
Prince Housing Investment Corp.	Cheng-Shi Construction Co., Ltd.	Taiwan	Construction	208,027	208,027	20,100,000	100.00%	201,495	5,964	-	Notes 2 and 3
	PPG Investment Inc.	U.S.A	Overseas investment	56,945	56,945	273	27.30%	25,346	16,652	-	Note 3
Prince Property Management Consulting Co.	Queen Holdings Ltd.	British Virgin Islands	Overseas investment	122,034	122,034	2,730	27.30%	406,422	76,478	-	Note 3
	Prince Apartment Management & Maintenance Co., Ltd.	Taiwan	Management of apartments	67,853	67,853	3,000,000	100.00%	41,846	1,865	-	Notes 2 and 3
Prince Real Estate Co., Ltd.	Prince Security & Guard Co., Ltd.	Taiwan	Security	159,611	159,611	13,172,636	100.00%	166,519	(11,305)	-	Notes 2 and 3
	Amida Trustlink Assets Management Co., Ltd.	Taiwan	Development of public housing and building	304,289	304,289	21,525,020	45.21%	(140,408)	(562)	-	Note 3
Times Square International Holding Company	Times Square International Hotel Corp.	Taiwan	Hotels and catering	460,770	460,770	54,750,000	100.00%	650,223	101,424	-	Notes 2 and 3
	Times Square International Stays Corp.	Taiwan	Hotels and catering	225,500	225,500	22,550,000	100.00%	213,675	10,361	-	Notes 2 and 3
Prince Industrial Corp.	Prince Chong-De Industrial Corp.	Taiwan	Development of public housing and building	200,000	-	20,000,000	100.00%	200,000	-	-	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.

Prince Housing & Development Corp.

Major shareholders information

September 30, 2023

Table 9

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%